

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING NOVEMBER 04, 2021**

**CASE No. 22252**

*GORDITA 6 STATE COM #601H-#603H WELLS*

**LEA COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 22252**

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# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|  |   |
|--|---|
| <b>Case No. 22252</b>  | <b>APPLICANT'S RESPONSE</b>   |
| <b>Date: November 4, 2021</b>  |   |
| Applicant  | Centennial Resource Production LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | Centennial Resource Production LLC (OGRID 372165)   |
| Applicant's Counsel:   | Holland & Hart LLP  |
| Case Title:  | APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO |
| Entries of Appearance/Intervenors:   | N/A   |
| Well Family  | Gordita 6 State Com wells   |
| <b>Formation/Pool</b>  |   |
| Formation Name(s) or Vertical Extent:  | Bone Spring   |
| Primary Product (Oil or Gas):  | Oil   |
| Pooling this vertical extent:  | Bone Spring   |
| Pool Name and Pool Code:   | Ojo Chiso; Bone Spring Pool (Pool Code 96553)   |
| Well Location Setback Rules:   | Statewide oil   |
| Spacing Unit Size:   | 619.28-acres, more or less  |
| <b>Spacing Unit</b>  |   |
| Type (Horizontal/Vertical)   | Horizontal  |
| Size (Acres)   | 619.28-acres, more or less  |
| Building Blocks:   | 40-acre   |
| Orientation:   | Standup   |
| Description: TRS/County  | W/2 of Sections 7 and 18, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico          |
| <b>BEFORE THE OIL CONSERVATION DIVISION</b><br>Santa Fe, New Mexico<br>Exhibit No. A<br>Submitted by: Centennial Resource Production, LLC<br>Hearing Date: November 04, 2021<br>Case No. 22252 |   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe   | Yes   |
| <b>Other Situations</b>  |   |
| Depth Severance: Y/N. If yes, description  | No  |
| Proximity Tracts: If yes, description  | Yes   |

|  |  |
|--|--|
| Proximity Defining Well: if yes, description   | <b>Yes, the completed interval for the Gordita 6 State Com #602H well</b> will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 7 and 18, to allow inclusion of this acreage into a standard horizontal well spacing unit.   |
| Applicant's Ownership in Each Tract  | Yes  |
| <b>Well(s)</b>   |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) |  |
| Well #1  | <p><b>Gordita 6 State Com #601H well</b>, API No. 30-025-49034<br/> SHL:275 FSL and 1320 FWL (Unit N) of Section 6, Township 22 South, Range 35 East, NMPM.<br/> BHL:100 FSL and 598 FWL (Lot 4) of Section 18, Township 22 South, Range 35 East, NMPM.</p> <p>Completion Target: Bone Spring<br/> Well Orientation: Standup<br/> Completion Location expected to be: standard</p>         |
| Well #2  | <p><b>Gordita 6 State Com #602H well</b>, API No. 30-025-49035<br/> SHL:275 FSL and 1350 FWL (Unit N) of Section 6, Township 22 South, Range 35 East, NMPM.<br/> BHL:100 FSL and 1526 FWL (Lot N) of Section 18, Township 22 South, Range 35 East, NMPM.</p> <p>Completion Target: Bone Spring<br/> Well Orientation: Standup<br/> Completion Location expected to be: proximity tract</p> |
| Well #3  | <p><b>Gordita 6 State Com #603H well</b>, API No. 30-025-49036<br/> SHL:275 FSL and 1380 FWL (Unit N) of Section 6, Township 22 South, Range 35 East, NMPM.<br/> BHL:100 FSL and 2456 FWL (Lot N) of Section 18, Township 22 South, Range 35 East, NMPM.</p> <p>Completion Target: Bone Spring<br/> Well Orientation: Standup<br/> Completion Location expected to be: standard</p>        |
| Horizontal Well First and Last Take Points   | Exhibit C-1  |

|  |  |
|--|--|
| Completion Target (Formation, TVD and MD)                      | Exhibit C-4, Exhibit D-4                     |
|  |  |
| <b>AFE Capex and Operating Costs</b>                           |  |
| Drilling Supervision/Month \$                                  | \$8,500 (drilling) & \$850 (producing)/month |
| Production Supervision/Month \$                                | Exhibit C, C-4                               |
| Justification for Supervision Costs                            | Exhibit C, C-4                               |
| Requested Risk Charge  | Exhibit C, C-4                               |
| <b>Notice of Hearing</b>                                       |  |
| Proposed Notice of Hearing                                     | Exhibit B                                    |
| Proof of Mailed Notice of Hearing (20 days before hearing)     | Exhibit E                                    |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit F                                    |
| <b>Ownership Determination</b>                                 |  |
| Land Ownership Schematic of the Spacing Unit                   | Exhibit C-2                                  |
| Tract List (including lease numbers and owners)                | Exhibit C-3                                  |
| Pooled Parties (including ownership type)                      | Exhibit C-3, Exhibit E                       |
| Unlocatable Parties to be Pooled                               | N/A  |
| Ownership Depth Severance (including percentage above & below) | N/A  |
| <b>Joinder</b>   |  |
| Sample Copy of Proposal Letter                                 | Exhibit C-4                                  |
| List of Interest Owners (ie Exhibit A of JOA)                  | Exhibit C-3, Exhibit E                       |
| Chronology of Contact with Non-Joined Working Interests        | Exhibit C-5                                  |
| Overhead Rates In Proposal Letter                              | Exhibit C-4                                  |
| Cost Estimate to Drill and Complete                            | Exhibit C-5                                  |
| Cost Estimate to Equip Well                                    | Exhibit C-5                                  |
| Cost Estimate for Production Facilities                        | Exhibit C-5                                  |
| <b>Geology</b>   |  |
| Summary (including special considerations)                     | Exhibit D                                    |
| Spacing Unit Schematic   | Exhibit D-1                                  |
| Gunbarrel/Lateral Trajectory Schematic                         | N/A  |
| Well Orientation (with rationale)                              | Exhibit D-1                                  |
| Target Formation   | Exhibit D-2, D-3, D-4                        |
| HSU Cross Section  | Exhibit D-4                                  |
| Depth Severance Discussion                                     | N/A  |
| <b>Forms, Figures and Tables</b>                               |  |
| C-102  | Exhibit C-1                                  |
| Tracts   | Exhibit C-2                                  |

|   |  |
|---|--|
| Summary of Interests, Unit Recapitulation (Tracts)  | Exhibit C-3  |
| General Location Map (including basin)  | Exhibit D-1  |
| Well Bore Location Map  | Exhibit D-1  |
| Structure Contour Map - Subsea Depth  | Exhibit D-2  |
| Cross Section Location Map (including wells)  | Exhibit D-3, D-4   |
| Cross Section (including Landing Zone)  | Exhibit D-3, D-4   |
| <b>Additional Information</b>   |  |
| Special Provisions/Stipulations   | N/A  |
| <p><b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b></p> |  |
|   |  |
| <b>Printed Name</b> (Attorney or Party Representative):   | Kaitlyn A. Luck  |
| <b>Signed Name</b> (Attorney or Party Representative):  |  |
| <b>Date:</b>  | 2-Nov-21   |

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 22252**

**APPLICATION**

Centennial Resource Production, LLC (“Centennial” or “Applicant”) (OGRID No. 372165), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, Centennial states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the following proposed initial wells:
  - a. (1) the **Gordita 6 State Com #601H well(API No. 30-025-49034)**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 18; and

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B**

**Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252**

- b. (2) the **Gordita 6 State Com #602H well (API No. 30-025-49035)**, and (3) the **Gordita 6 State Com #603H well (API No. 30-025-49036)**, both are to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 18.

3. The completed interval for the proposed **Gordita 6 State Com #602H well** will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 7 and 18, to allow inclusion of this acreage into a standard horizontal well spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and, after notice and hearing as required by law, the Division enter an order:

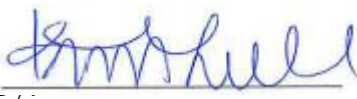
- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;



- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mhfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR  
CENTENNIAL RESOURCE PRODUCTION, LLC**

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 22252**

**AFFIDAVIT OF GAVIN SMITH  
IN SUPPORT OF CASE NO. 22252**

Gavin Smith, of lawful age and being first duly sworn, declares as follows:

1. My name is Gavin Smith. I work for Centennial Resource Production, LLC (“Centennial”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Centennial in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case has indicated opposition to this pooling case proceeding by affidavits, and therefore I do not expect any opposition at the hearing.

5. In this case, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

6. Centennial seeks to dedicate this spacing unit to the proposed initial wells:

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C

Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252

(1) the **Gordita 6 State Com #601H well (API No. 30-025-49034)**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 18; and

(2) the **Gordita 6 State Com #602H well (API No. 30-025-49035)**, and (3) the **Gordita 6 State Com #603H well (API No. 30-025-49036)**, both are to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 18.

7. **Centennial Exhibit C-1** is the Form C-102 for the proposed initial well for this horizontal spacing unit that reflects that the well is located in the Ojo Chiso; Bone Spring Pool (Pool Code 96553).

8. The completed interval for the **Gordita 6 State Com #602H well** will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 7 and 18, to allow inclusion of this acreage into a standard horizontal well spacing unit.

9. There are no depth severances in the Bone Spring formation in the proposed spacing unit.

10. **Centennial Exhibit C-2** contains a plat outlining the unit being pooled and identifies the tracts of land comprising the proposed spacing unit.

11. **Centennial Exhibit C-3** identifies the working interests in each tract, and their interest in the horizontal spacing unit. There are no unleased mineral interest owners. I have highlighted on this exhibit the parties that Centennial seeks to pool.

12. Centennial sent well proposal letters, together with corresponding AFEs, to the working interest owners. The costs reflected in the AFE are consistent with what other operators

have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFE, are included with my affidavit as **Centennial Exhibit C-4**.

13. Centennial seeks approval of overhead and administrative costs at \$8,500/month while drilling and \$850/month while producing. These costs are consistent with what Centennial and other operators are charging in this area for these types of wells. Centennial respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. Centennial has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners. **Centennial Exhibit C-5** contains a chronology of the contacts with the working interest owners that Centennial seeks to pool in this case.

15. If Centennial reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Centennial is no longer seeking to pool that party.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on **Centennial Exhibit C-3**. In compiling these addresses, Centennial conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.


17. **Centennial Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
GAVIN SMITH

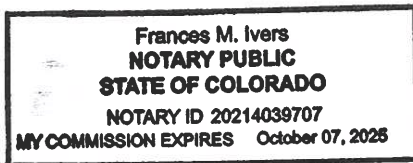
STATE OF COLORADO       )  
  )  
COUNTY OF Denver       )

SUBSCRIBED and SWORN to before me this 2nd day of November  
2021 by Gavin Smith.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

October 7, 2025



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code  | <sup>3</sup> Pool Name |
|----------------------------|--|---|------------------------|
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name<br>GORDITA 6 STATE COM                 |                        |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name<br>CENTENNIAL RESOURCE PRODUCTION, LLC |                        |
|                            |  | <sup>6</sup> Well Number<br>601H                                  |                        |
|                            |  | <sup>9</sup> Elevation<br>3627.0'                                 |                        |

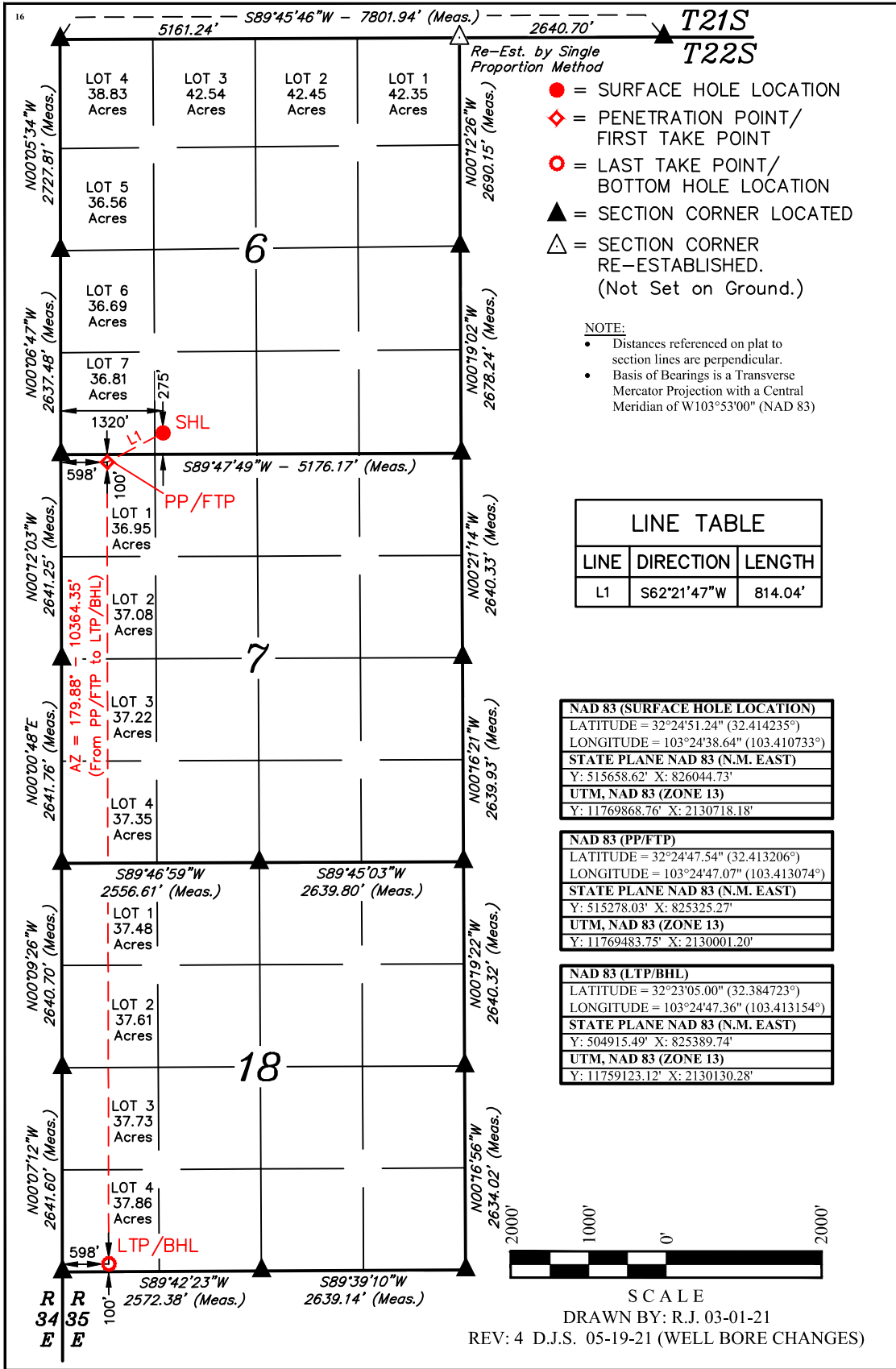
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 6       | 22S      | 35E   |         | 275           | SOUTH            | 1320          | WEST           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                           | Section | Township                      | Range | Lot Idn                          | Feet from the | North/South line        | Feet from the | East/West line | County |
|---|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| 4                                       | 18      | 22S                           | 35E   |                                  | 100           | SOUTH                   | 598           | WEST           | LEA    |
| <sup>12</sup> Dedicated Acres<br>619.28 |         | <sup>13</sup> Joint or Infill |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> Order No. |               |                |        |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<sup>17</sup> OPERATOR  
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

<sup>18</sup> SURVEYOR  
CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2021

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number: \_\_\_\_\_

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code  | <sup>3</sup> Pool Name |
|----------------------------|--|---|------------------------|
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name<br>GORDITA 6 STATE COM                 |                        |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name<br>CENTENNIAL RESOURCE PRODUCTION, LLC |                        |
|                            |  | <sup>6</sup> Well Number<br>602H                                  |                        |
|                            |  | <sup>9</sup> Elevation<br>3626.6'                                 |                        |

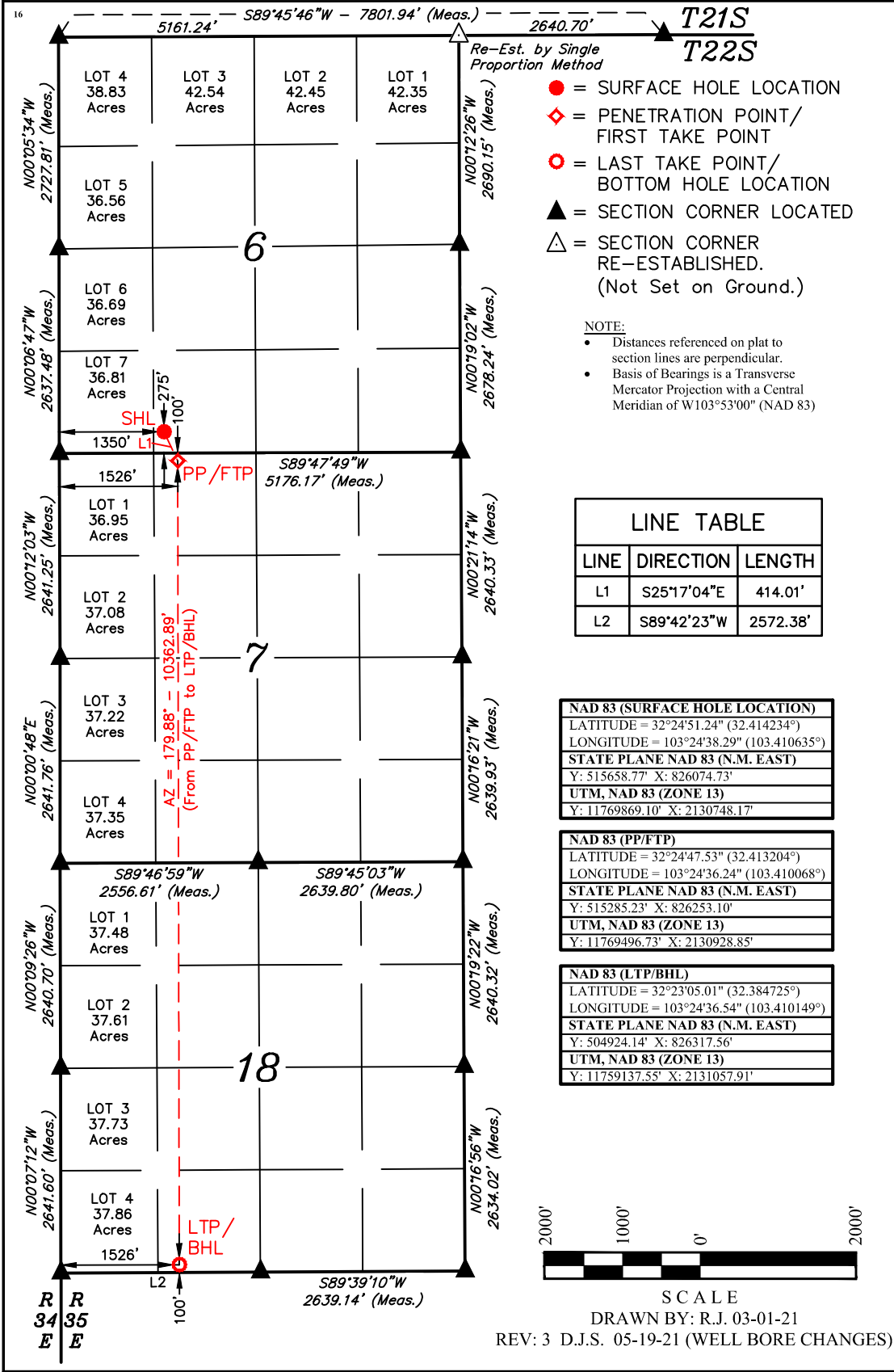
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 6       | 22S      | 35E   |         | 275           | SOUTH            | 1350          | WEST           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                           | Section | Township                      | Range | Lot Idn                          | Feet from the | North/South line        | Feet from the | East/West line | County |
|---|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| N                                       | 18      | 22S                           | 35E   |                                  | 100           | SOUTH                   | 1526          | WEST           | LEA    |
| <sup>12</sup> Dedicated Acres<br>619.28 |         | <sup>13</sup> Joint or Infill |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> Order No. |               |                |        |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup> SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2021

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor: \_\_\_\_\_

Certificate Number: \_\_\_\_\_

**PAUL BUCHELE**  
NEW MEXICO  
23782  
05-19-21  
PROFESSIONAL SURVEYOR



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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1000 Rio Brazos Road, Aztec, NM 87410  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code  | <sup>3</sup> Pool Name |
|----------------------------|--|---|------------------------|
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name<br>GORDITA 6 STATE COM                 |                        |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name<br>CENTENNIAL RESOURCE PRODUCTION, LLC |                        |
|                            |  | <sup>6</sup> Well Number<br>603H                                  |                        |
|                            |  | <sup>9</sup> Elevation<br>3626.4'                                 |                        |

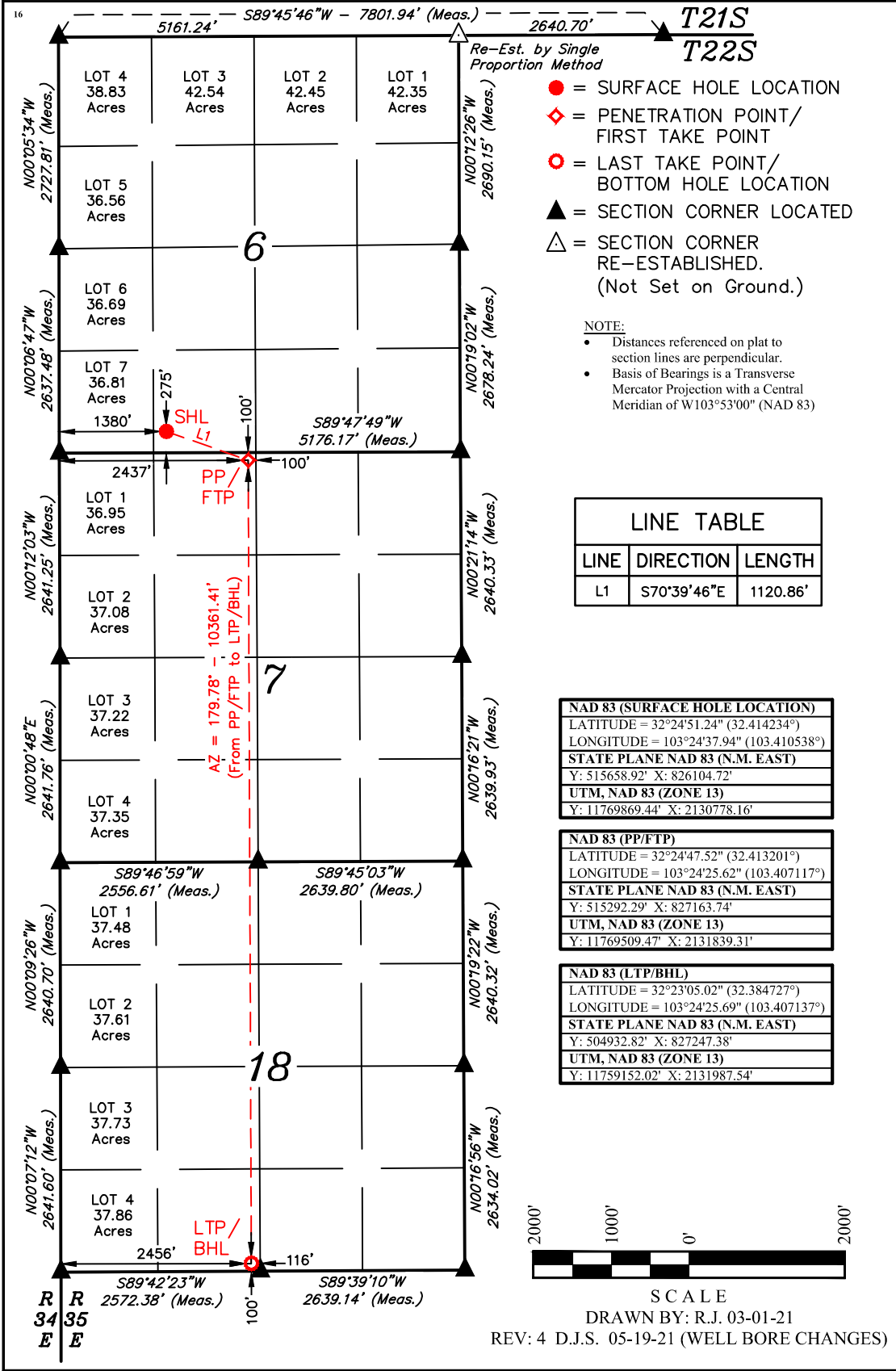
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 6       | 22S      | 35E   |         | 275           | SOUTH            | 1380          | WEST           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                           | Section | Township                      | Range | Lot Idn                          | Feet from the | North/South line        | Feet from the | East/West line | County |
|---|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| N                                       | 18      | 22S                           | 35E   |                                  | 100           | SOUTH                   | 2456          | WEST           | LEA    |
| <sup>12</sup> Dedicated Acres<br>619.28 |         | <sup>13</sup> Joint or Infill |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> Order No. |               |                |        |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_


E-mail Address \_\_\_\_\_

**<sup>18</sup> SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2021

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor: \_\_\_\_\_



Certificate Number: \_\_\_\_\_



Exhibit C-2  
Ownership Map  
Township 22 South, Range 35 East, Lea County, New Mexico

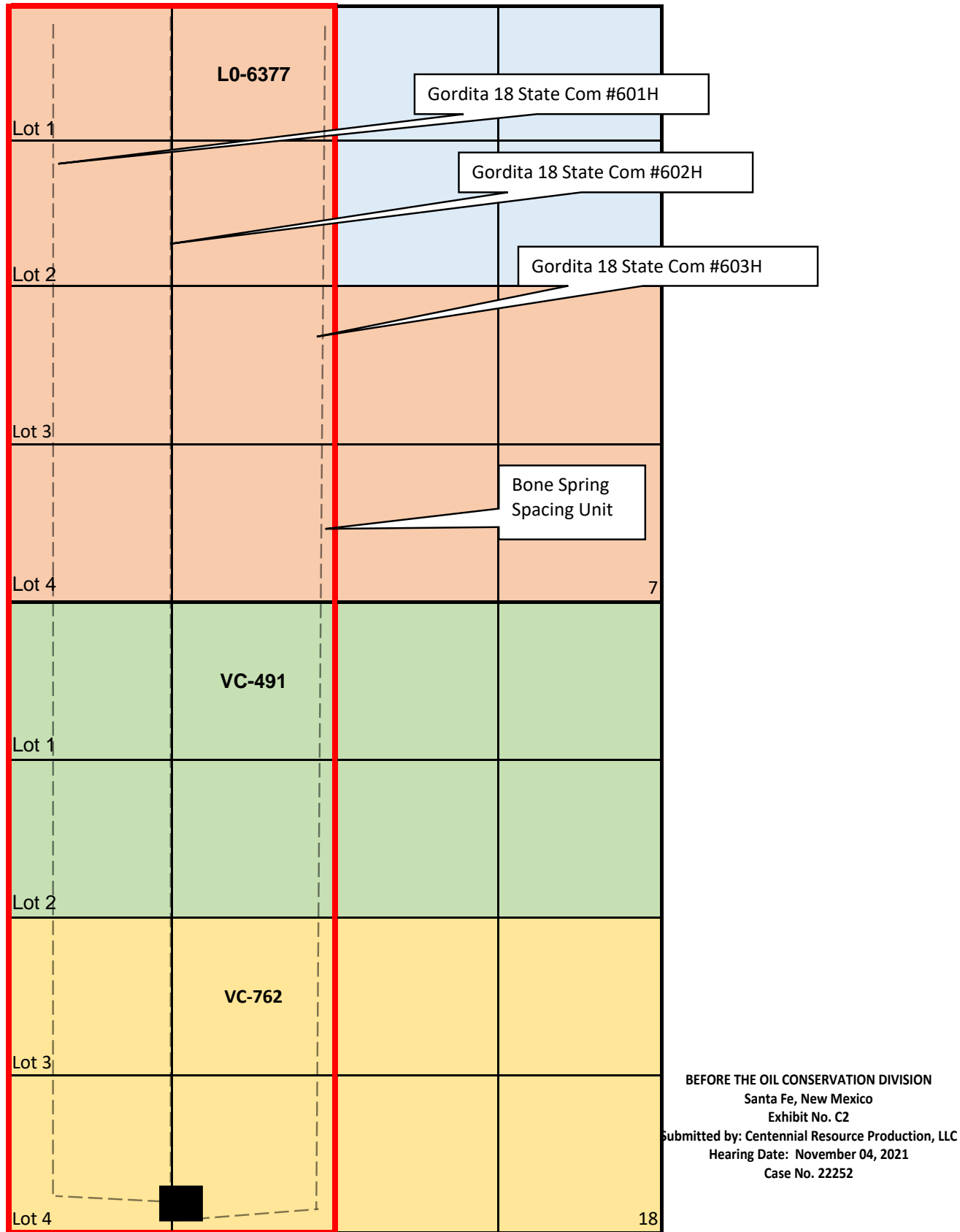


Exhibit C-3

Gordita 18 State Com

Ownership Schedule

| Name   | Address   | Interest Type    | Working Interest |
|--|---|------------------|------------------|
| Owners to be Pooled  |   |                  |                  |
| Elk Range Royalties, LP  | 2850 N. Harwood Street, 19th Floor                      | ORRI             | N/A              |
| Legacy Reserves Operating, LP  | 303 W. Wall St., Ste. 1800<br>Midland, TX 79701         | ORRI             | N/A              |
| Grewal (Royaly), LLC   | 45 Rockefeller Plaza, Ste. 2410<br>New York, NY 10111   | ORRI             | N/A              |
| Pegasus Resources, LLC   | P.O. Box 470698<br>Ft. Worth, TX 76147                  | ORRI             | N/A              |
| McMullen Minerals, LLC   | P.O. Box 470857<br>Ft. Worth, TX 76147                  | ORRI             | N/A              |
| Leo K. Birkby  | 10432 E. Palo Brea Drive<br>Scottsdale, AZ 85262        | ORRI             | N/A              |
| Deets D. Justice   | 310 Pleasant Drive<br>Austin, TX 78746                  | ORRI             | N/A              |
| YMC Royalty Company, LP  | 15603 Kuykendahl, Ste. 200<br>Houston, TX 77090         | ORRI             | N/A              |
| Atlas OBO Energy, LP   | 1900 St. James Place, Suite 800<br>Houston, TX 77056    | ORRI             | N/A              |
| David J. Darling   | 746 Palmer Avenue<br>Glenwood Springs, CO 81601         | ORRI             | N/A              |
| Amy Darling Wood   | 16602 Palm Royal Drive, Apt<br>#1519                    | ORRI             | N/A              |
| Laurance Howard Merritt  | 221 S. Lomita Avenue<br>Ojai, CA 93023                  | ORRI             | N/A              |
| Elodie Brown   | 15 Cypress Point<br>Wimberely, TX 78676                 | ORRI             | N/A              |
| Pecas Management, LP   | 3138 Quail Valley East Drive<br>Missouri City, TX 77489 | ORRI             | N/A              |
| Karen Johnston   | 2017 Quail Hollow Run<br>Carlsbad, NM 88220             | ORRI             | N/A              |
| The Board of Regents of the Univeristy of Texas System for the use and benefit of The University of Texas M.D. Anderson Caner Center | P.O. Box 551<br>Midland, TX 79702                       | ORRI             | N/A              |
| Presbyterian Healthcare Foundation   | 8440 Walnut Hill Lane, Ste. 800<br>Dallas, TX 75231     | ORRI             | N/A              |
| Presbyterian Village North Foundation  | 8440 Walnut Hill Lane, Ste. 800<br>Dallas, TX 75231     | ORRI             | N/A              |
| Doil Oil & Gas Corporation   | 1536 Cole Blvd, Ste. 225<br>Golden, CO 80401            | Working Interest | Pending Title    |
| Atlas OBO Energy, LP   | 1900 St. James Place, Suite 800<br>Houston, TX 77056    | Working Interest | 0.04983206       |
| Total:   |   |                  | 0.04983206       |

ADD ORRI

|                                     |   |                  |            |
|-------------------------------------|---|------------------|------------|
| Owners NOT being Pooled             |   |                  |            |
| Centennial Resource Production, LLC | 1001 17th St., Suite 1800<br>Denver, CO 80202 | Working Interest | 0.95016794 |
| Total:                              |   |                  | 0.95016794 |

|                         |  |  |            |
|-------------------------|--|--|------------|
| Total Working Interest: |  |  | 1.00000000 |
|-------------------------|--|--|------------|

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C3

Submitted by: Centennial Resource Production, LLC

Hearing Date: November 04, 2021

Case No. 22252



September 8, 2021

RE: Gordita 6 State Com #601H  
SHL: 275' FSL Sec. 6 & 1320' FWL Sec. 6 T22S R35E  
BHL: 100' FSL Sec. 18 & 598' FWL Sec. 18 T22S R35E  
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Gordita 6 State Com #601H as a horizontal well to test the Bone Spring Formation at a TVD of 10,900 feet. The W/2 of the Section 7, Township 22 South, Range 35 East and the W/2 of Section 18, Township 22 South, Range 35 East, Lea County, New Mexico will be dedicated to the well as the proration unit being a total of 619.28 acres. Please see the enclosed AFE in the amount of \$8,165,101.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of September 1, 2021. The JOA contains a proposed overhead rate of \$8,000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at [gavin.smith@cdevinc.com](mailto:gavin.smith@cdevinc.com). Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in blue ink that reads 'Gavin Smith'.

Gavin Smith, CPL  
Senior Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C4

Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252

Centennial Resource Production, LLC | 1001 Seventeenth Street, Suite 1800, Denver, Colorado 80202



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #601H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #601H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## Authorization for Expenditure

|                              |             |          |
|------------------------------|-------------|----------|
| <b>AFE Number</b>            | 401840      | Original |
| <b>Drilling Total (\$)</b>   | \$3,076,311 |          |
| <b>Completion Total (\$)</b> | \$3,489,587 |          |
| <b>Facilities Total (\$)</b> | \$891,833   |          |
| <b>Flowback Total (\$)</b>   | \$707,370   |          |
| <b>AFE Total (\$)</b>        | \$8,165,101 |          |

### AFE Description

|                            |                                     |                           |                     |
|----------------------------|-------------------------------------|---------------------------|---------------------|
| <b>Property Name</b>       | Well: Gordita 6 State Com 601H      | <b>State</b>              | New Mexico          |
| <b>AFE Type</b>            | Drill and Complete                  |                           |                     |
| <b>Operator</b>            | Centennial Resource Production, LLC | <b>Field</b>              | Delaware Basin - NM |
| <b>Scheduled Spud Date</b> | Dec 14, 2021                        | <b>Estimated TVD (ft)</b> |                     |
| <b>Target Zone</b>         | TBSG SAND                           | <b>Estimated MD (ft)</b>  |                     |

### Non Operator Approval

|                    |  |
|--------------------|--|
| <b>Company</b>     |  |
| <b>Approved By</b> |  |
| <b>Title</b>       |  |
| <b>Date</b>        |  |

### Cost Estimate

| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
|-----------|---------------------------------|--------------|-----------|--|--------------|
| 8015.1000 | IDC - PERMITS,LICENSES,ETC      | \$15,000.00  | 8015.1100 | IDC - STAKING & SURVEYING                | \$15,000.00  |
| 8015.1200 | IDC - LEGAL, TITLE SERVICES     | \$13,000.00  | 8015.1300 | IDC - SURFACE DAMAGE / ROW               | \$15,000.00  |
| 8015.1400 | IDC - ROAD, LOCATIONS, PITS     | \$70,000.00  | 8015.1500 | IDC - RIG MOB / TRUCKING                 | \$60,000.00  |
| 8015.1600 | IDC - RIG MOB / STANDBY RATE    | \$30,000.00  | 8015.1700 | IDC - DAYWORK CONTRACT                   | \$336,000.00 |
| 8015.1800 | IDC - FOOTAGE CONTRACT          | \$0.00       | 8015.1900 | IDC - DIRECTNL DRILL & SURVEY            | \$300,000.00 |
| 8015.2000 | IDC - CONDUCTOR HOLE & SERVICE  | \$27,500.00  | 8015.2100 | IDC - WIRELINE SVCS CASED&OPEN           | \$0.00       |
| 8015.2200 | IDC - BITS, TOOLS, STABILIZERS  | \$70,000.00  | 8015.2300 | IDC - FUEL / POWER                       | \$80,500.00  |
| 8015.2400 | IDC - RIG WATER                 | \$17,000.00  | 8015.2500 | IDC - MUD/CHEMICALS/ACIDIZING            | \$165,000.00 |
| 8015.2600 | IDC - MUD LOGGING               | \$0.00       | 8015.2700 | IDC - INSPECTION, TESTING & REPAIR       | \$55,000.00  |
| 8015.2800 | IDC - CORE ANALYSIS             | \$0.00       | 8015.2900 | IDC - OPEN/CASED HOLE LOGGING            | \$0.00       |
| 8015.3000 | IDC - CEMENT SERV/FLOAT EQUIP   | \$195,000.00 | 8015.3100 | IDC - CASING CREW & TOOLS                | \$65,000.00  |
| 8015.3200 | IDC - CONTRACT LABOR/ROUSTABOUT | \$20,000.00  | 8015.3400 | IDC - MATERIALS & SUPPLIES               | \$5,000.00   |
| 8015.3500 | IDC - TRUCKING/VACUUM/ TRANSP   | \$18,000.00  | 8015.3600 | IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM | \$44,000.00  |
| 8015.3700 | IDC - DISPOSAL                  | \$105,000.00 | 8015.3800 | IDC - WELLHEAD PREPARE/REPAIR            | \$30,500.00  |
| 8015.3900 | IDC - FISHING TOOLS & SERVICES  | \$0.00       | 8015.4100 | IDC - RENTAL EQUIPMENT                   | \$45,000.00  |
| 8015.4200 | IDC - MANCAMP                   | \$47,000.00  | 8015.4300 | IDC - WELLSITE SUPERVISION               | \$99,000.00  |
| 8015.4400 | IDC - SUPERVISION/ENGINEERING   | \$0.00       | 8015.4600 | IDC - SAFETY / ENVIRONMENTAL             | \$12,400.00  |
| 8015.4800 | IDC - OVERHEAD                  | \$0.00       | 8015.5000 | IDC - WELL CONTROL INSURANCE             | \$11,790.00  |
| 8015.5200 | IDC - CONTINGENCY               | \$130,961.40 | 8015.1310 | IDC - PERMANENT EASEMENT                 | \$12,000.00  |
| 8015.1950 | IDC - LOST IN HOLE              | \$0.00       | 8015.2150 | IDC - DRILL BIT                          | \$84,000.00  |
| 8015.2350 | IDC - FUEL/MUD                  | \$100,000.00 |           |  |              |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8020.1000 | TDC - CASING - CONDUCTOR        | \$0.00       | 8020.1100 | TDC - CASING - SURFACE                   | \$68,796.88  |
| 8020.1200 | TDC - CASING - INTERMEDIATE - 1 | \$151,937.50 | 8020.1300 | TDC - CASING - INTERMEDIATE 2            | \$0.00       |
| 8020.1400 | TDC - CASING - PRODUCTION       | \$436,050.00 | 8020.1500 | TDC - WELLHEAD EQUIPMENT                 | \$65,875.00  |
| 8020.1700 | TDC - PACKER/DOWNHOLE TOOLS     | \$60,000.00  | 8020.1800 | TDC - CONTINGENCY                        | \$0.00       |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8025.1000 | ICC - STAKING & SURVEYING       | \$0.00       | 8025.1100 | ICC - ROAD, LOCATIONS, PITS              | \$10,500.00  |

|                |                                      |                   |                |                                    |                   |
|----------------|--------------------------------------|-------------------|----------------|------------------------------------|-------------------|
| 8025.1200      | ICC - COMPLETION RIG                 | \$ .00            | 8025.1400      | ICC - WIRELINE OPEN/CASED HOLE     | \$20,000.00       |
| 8025.1500      | ICC - FUEL / POWER                   | \$278,407.00      | 8025.1600      | ICC - COILED TUBING                | \$101,000.00      |
| 8025.1700      | ICC - CEMENTING & SERVICES           | \$ .00            | 8025.1800      | ICC - WATER DISPOSAL/VACUUM TRUCK  | \$17,955.00       |
| 8025.1900      | ICC - INSPECTION & TESTING           | \$ .00            | 8025.2000      | ICC - TRUCKING                     | \$13,125.00       |
| 8025.2200      | ICC - ELECTRIC LOGGING / PERFORATING | \$272,533.00      | 8025.2300      | ICC - COMPLETION FLUIDS            | \$10,000.00       |
| 8025.2400      | ICC - CASING CREW AND TOOLS          | \$ .00            | 8025.2500      | ICC - WELL STIMULATION/FRACTUR     | \$1,830,482.00    |
| 8025.2600      | ICC - CONTRACT LABOR/ROUSTABOUT      | \$15,000.00       | 8025.3000      | ICC - WATER HANDLING               | \$150,298.00      |
| 8025.3100      | ICC - WELLHEAD/FRACTURE REPAIR       | \$40,000.00       | 8025.3200      | ICC - FISHING TOOLS & SERVICES     | \$ .00            |
| 8025.3300      | ICC - COMMUNICATIONS                 | \$ .00            | 8025.3400      | ICC - RENTAL EQUIPMENT             | \$272,000.00      |
| 8025.3500      | ICC - WELLSITE SUPERVISION           | \$59,400.00       | 8025.3600      | ICC - SUPERVISION/ENGINEERING      | \$5,000.00        |
| 8025.3700      | ICC - SAFETY / ENVIRONMENTAL         | \$15,000.00       | 8025.3800      | ICC - OVERHEAD                     | \$10,000.00       |
| 8025.4000      | ICC - WELL CONTROL INSURANCE         | \$ .00            | 8025.4200      | ICC - CONTINGENCY                  | \$ .00            |
| 8025.3050      | ICC - SOURCE WATER                   | \$321,637.00      | 8025.4400      | ICC - COMPANY LABOR                | \$ .00            |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8030.1000      | TCC - CASING - PRODUCTION            | \$ .00            | 8030.1600      | TCC - PROD LINER & EQUIPMENT       | \$ .00            |
| 8030.1700      | TCC - PACKER/DOWNHOLE TOOLS          | \$ .00            | 8030.2000      | TCC - WELLHEAD EQUIPMENT           | \$47,250.00       |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8035.1400      | FAC - ROAD LOCATIONS PITS            | \$20,000.00       | 8035.1600      | FAC - TRANSPORTATION TRUCKING      | \$10,000.00       |
| 8035.2200      | FAC - CONTRACT LABOR / ROUSTAB       | \$61,667.00       | 8035.2400      | FAC - SUPERVISION                  | \$16,000.00       |
| 8035.2700      | FAC - P-LINE F-LINE LINEPIPE         | \$ .00            | 8035.2900      | FAC - TANK BATTERY                 | \$113,833.00      |
| 8035.3000      | FAC - HEATER TREATER/SEPARATOR       | \$52,000.00       | 8035.3200      | FAC - VALVES FITTINGS & PIPE       | \$187,500.00      |
| 8035.3300      | FAC - CIRCULATING TRANSFER PUMP      | \$9,667.00        | 8035.3400      | FAC - METER & LACT                 | \$82,500.00       |
| 8035.3600      | FAC - ELECTRICAL                     | \$13,333.00       | 8035.3700      | FAC - COMM TELEMETRY & AUTOMAT     | \$45,000.00       |
| 8035.3800      | FAC - FLARE/COMBUSTER                | \$21,667.00       | 8035.4500      | FAC - CONTINGENCY                  | \$42,468.00       |
| 8035.1300      | FAC - SURFACE DAMAGE / ROW           | \$ .00            | 8035.1500      | FAC - MATERIALS & SUPPLIES         | \$5,000.00        |
| 8035.1700      | FAC - RENTAL EQUIPMENT               | \$15,000.00       | 8035.1800      | FAC - FUEL / POWER                 | \$ .00            |
| 8035.1900      | FAC - WATER DISPOSAL / SWD           | \$ .00            | 8035.2000      | FAC - WASTE DISPOSAL               | \$ .00            |
| 8035.2100      | FAC - INSPECTION & TESTING           | \$ .00            | 8035.2300      | FAC - FRAC TANK RENTAL             | \$ .00            |
| 8035.2500      | FAC - CONSULTING SERVICES            | \$ .00            | 8035.2600      | FAC - INJECTION PUMP               | \$ .00            |
| 8035.3100      | FAC - DEHYDRATOR EQUIPMENT           | \$ .00            | 8035.3500      | FAC - COMPRESSOR                   | \$6,667.00        |
| 8035.4000      | FAC - SAFETY / ENVIRONMENTAL         | \$5,000.00        | 8035.4100      | FAC - OVERHEAD                     | \$ .00            |
| 8035.4300      | FAC - INSURANCE                      | \$ .00            | 8035.1310      | FAC - PERMANENT EASEMENT           | \$ .00            |
| 8035.4400      | FAC - COMPANY LABOR                  | \$ .00            |                |                                    |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8036.1000      | PLN - PERMITS LICENSES ETC           | \$ .00            | 8036.1100      | PLN - STAKING & SURVEYING          | \$ .00            |
| 8036.1200      | PLN - LEGAL TITLE SERVICES           | \$ .00            | 8036.1300      | PLN - SURFACE DAMAGE / ROW         | \$ .00            |
| 8036.1310      | PLN - PERMANENT EASEMENT             | \$6,465.00        | 8036.1400      | PLN - ROAD LOCATIONS PITS          | \$ .00            |
| 8036.1500      | PLN - MATERIALS & SUPPLIES           | \$ .00            | 8036.1600      | PLN - TRANSPORTATION TRUCKING      | \$ .00            |
| 8036.1700      | PLN - RENTAL EQUIPMENT               | \$ .00            | 8036.1900      | PLN - WATER DISPOSAL / SWD         | \$ .00            |
| 8036.2000      | PLN - WASTE DISPOSAL                 | \$ .00            | 8036.2100      | PLN - INSPECTION & TESTING         | \$ .00            |
| 8036.2200      | PLN - CONTRACT LABOR                 | \$ .00            | 8036.2300      | PLN - FRAC TANK RENTAL             | \$ .00            |
| 8036.2400      | PLN - SUPERVISION                    | \$ .00            | 8036.2500      | PLN - CONSULTING SERVICES          | \$ .00            |
| 8036.2700      | PLN - PIPELINE                       | \$165,440.00      | 8036.2800      | PLN - FLOWLINE                     | \$ .00            |
| 8036.2900      | PLN - TANK BATTERY                   | \$ .00            | 8036.3000      | PLN - SEPARATOR / SCRUBBER         | \$ .00            |
| 8036.3100      | PLN - TREATING EQUIPMENT             | \$ .00            | 8036.3200      | PLN - VALVES FITTINGS & PIPE       | \$ .00            |
| 8036.3300      | PLN - PUMP                           | \$ .00            | 8036.3400      | PLN - METER                        | \$ .00            |
| 8036.3500      | PLN - COMPRESSOR                     | \$ .00            | 8036.3600      | PLN - ELECTRICAL SUPPLIES          | \$ .00            |
| 8036.3610      | PLN - POWER DISTRIBUTION MATERIAL    | \$6,313.00        | 8036.3620      | PLN - POWER DISTRIBUTION LABOR     | \$6,313.00        |
| 8036.3700      | PLN - AUTOMATION                     | \$ .00            | 8036.4000      | PLN - SAFETY / ENVIRONMENTAL       | \$ .00            |
| 8036.4300      | PLN - INSURANCE                      | \$ .00            | 8036.4400      | PLN - COMPANY LABOR                | \$ .00            |
| 8036.4500      | PLN - CONTINGENCY                    | \$ .00            |                |                                    |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8040.1100      | IFC - ROADS LOCATIONS / PITS         | \$ .00            | 8040.1200      | IFC - COMPLETION RIG               | \$9,200.00        |
| 8040.1400      | IFC - WIRELINE OPEN/CASED HOLE       | \$5,500.00        | 8040.1500      | IFC - FUEL / POWER                 | \$ .00            |
| 8040.1600      | IFC - COILED TUBING                  | \$ .00            | 8040.1700      | IFC - CEMENTING & SERVICES         | \$ .00            |
| 8040.1899      | IFC - FRAC WATER RECOVERY            | \$227,470.28      | 8040.1900      | IFC - INSPECTION & TESTING         | \$ .00            |
| 8040.2000      | IFC - TRUCKING/VACUUM/TRANSP         | \$20,000.00       | 8040.2200      | IFC - ELECTRIC LOGGING/PERFORATING | \$ .00            |
| 8040.2300      | IFC - COMPLETION FLUID               | \$ .00            | 8040.2400      | IFC - CASING CREW AND TOOLS        | \$ .00            |
| 8040.2600      | IFC - CONTRACT LABOR/ROUSTABOUT      | \$ .00            | 8040.2800      | IFC - MATERIAL & SUPPLIES          | \$150,000.00      |
| 8040.2900      | IFC - WELL TESTING / FLOWBACK        | \$ .00            | 8040.3100      | IFC - WELLHEAD/FRAC TREE REPAIR    | \$ .00            |

| 8040.3200 | IFC - FISHING TOOLS & SERVICES              | \$70,000.00 | 8040.3400 | IFC - RENTAL EQUIPMENT          | \$3,600.00  |
|-----------|---|-------------|-----------|---------------------------------|-------------|
| 8040.3500 | IFC - WELLSITE SUPERVISION                  | \$5,000.00  | 8040.3700 | IFC - SAFETY / ENVIRONMENTAL    | \$ .00      |
| 8040.4200 | IFC - CONTINGENCY                           | \$ .00      | 8040.4400 | IFC - COMPANY LABOR             | \$ .00      |
| 8040.4500 | IFC - SWABBING                              | \$ .00      | 8040.2500 | IFC - WELL STIMULATION/FRACTURE | \$5,000.00  |
| Account   | Description                                 | Total (\$)  | Account   | Description                     | Total (\$)  |
| 8045.1100 | TFC - TUBING                                | \$65,000.00 | 8045.1200 | TFC - SUCKER RODS & ACCESSORY   | \$ .00      |
| 8045.1300 | TFC - DOWNHOLE ARTIFICIAL LIFT EQPT         | \$25,000.00 | 8045.1500 | TFC - SUBSURFACE PUMPS          | \$ .00      |
| 8045.1600 | TFC - PROD LINER & EQUIPMENT                | \$ .00      | 8045.1700 | TFC - PACKER/DOWNHOLE TOOLS     | \$8,500.00  |
| 8045.1900 | TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT | \$ .00      | 8045.2000 | TFC - WELLHEAD EQUIPMENT        | \$18,100.00 |
| 8045.2500 | TFC - VALVES / CONNECTIONS / FITINGS        | \$40,000.00 | 8045.3100 | TFC - MEASUREMENT EQUIPMENT     | \$15,000.00 |
| 8045.3200 | TFC - COMM, TELEMETRY & AUTOMATION          | \$ .00      | 8045.3400 | TFC - CONTRACTOR LABOR INSTALL  | \$40,000.00 |
| 8045.3500 | TFC - CONTINGENCY                           | \$ .00      | 8045.4400 | TFC - COMPANY LABOR             | \$ .00      |





September 8, 2021

RE: Gordita 6 State Com #602H  
SHL: 275' FSL Sec. 6 & 1350' FWL Sec. 6 T22S R35E  
BHL: 100' FSL Sec. 18 & 1526' FWL Sec. 18 T22S R35E  
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Gordita 6 State Com #602H as a horizontal well to test the Bone Spring Formation at a TVD of 10,900 feet. The W/2 of the Section 7, Township 22 South, Range 35 East and the W/2 of Section 18, Township 22 South, Range 35 East, Lea County, New Mexico will be dedicated to the well as the proration unit being a total of 619.28 acres. Please see the enclosed AFE in the amount of \$8,165,101.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of September 1, 2021. The JOA contains a proposed overhead rate of \$8,000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at [gavin.smith@cdevinc.com](mailto:gavin.smith@cdevinc.com). Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in blue ink that reads 'Gavin Smith'.

Gavin Smith, CPL  
Senior Landman





THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #602H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #602H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## Authorization for Expenditure

|                       |             |          |
|-----------------------|-------------|----------|
| AFE Number            | 401841      | Original |
| Drilling Total (\$)   | \$3,076,311 |          |
| Completion Total (\$) | \$3,489,587 |          |
| Facilities Total (\$) | \$891,833   |          |
| Flowback Total (\$)   | \$707,370   |          |
| AFE Total (\$)        | \$8,165,101 |          |

### AFE Description

|                     |                                     |                    |                     |
|---------------------|-------------------------------------|--------------------|---------------------|
| Property Name       | Well: Gordita 6 State Com 602H      | State              | New Mexico          |
| AFE Type            | Drill and Complete                  |                    |                     |
| Operator            | Centennial Resource Production, LLC | Field              | Delaware Basin - NM |
| Scheduled Spud Date | Dec 29, 2021                        | Estimated TVD (ft) |                     |
| Target Zone         | TBSG SAND                           | Estimated MD (ft)  |                     |

### Non Operator Approval

|             |  |
|-------------|--|
| Company     |  |
| Approved By |  |
| Title       |  |
| Date        |  |

### Cost Estimate

| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
|-----------|---------------------------------|--------------|-----------|--|--------------|
| 8015.1000 | IDC - PERMITS,LICENSES,ETC      | \$15,000.00  | 8015.1100 | IDC - STAKING & SURVEYING                | \$15,000.00  |
| 8015.1200 | IDC - LEGAL, TITLE SERVICES     | \$13,000.00  | 8015.1300 | IDC - SURFACE DAMAGE / ROW               | \$15,000.00  |
| 8015.1400 | IDC - ROAD, LOCATIONS, PITS     | \$70,000.00  | 8015.1500 | IDC - RIG MOB / TRUCKING                 | \$60,000.00  |
| 8015.1600 | IDC - RIG MOB / STANDBY RATE    | \$30,000.00  | 8015.1700 | IDC - DAYWORK CONTRACT                   | \$336,000.00 |
| 8015.1800 | IDC - FOOTAGE CONTRACT          | \$0.00       | 8015.1900 | IDC - DIRECTNL DRILL & SURVEY            | \$300,000.00 |
| 8015.2000 | IDC - CONDUCTOR HOLE & SERVICE  | \$27,500.00  | 8015.2100 | IDC - WIRELINE SVCS CASED&OPEN           | \$0.00       |
| 8015.2200 | IDC - BITS, TOOLS, STABILIZERS  | \$70,000.00  | 8015.2300 | IDC - FUEL / POWER                       | \$80,500.00  |
| 8015.2400 | IDC - RIG WATER                 | \$17,000.00  | 8015.2500 | IDC - MUD/CHEMICALS/ACIDIZING            | \$165,000.00 |
| 8015.2600 | IDC - MUD LOGGING               | \$0.00       | 8015.2700 | IDC - INSPECTION, TESTING & REPAIR       | \$55,000.00  |
| 8015.2800 | IDC - CORE ANALYSIS             | \$0.00       | 8015.2900 | IDC - OPEN/CASED HOLE LOGGING            | \$0.00       |
| 8015.3000 | IDC - CEMENT SERV/FLOAT EQUIP   | \$195,000.00 | 8015.3100 | IDC - CASING CREW & TOOLS                | \$65,000.00  |
| 8015.3200 | IDC - CONTRACT LABOR/ROUSTABOUT | \$20,000.00  | 8015.3400 | IDC - MATERIALS & SUPPLIES               | \$5,000.00   |
| 8015.3500 | IDC - TRUCKING/VACUUM/ TRANSP   | \$18,000.00  | 8015.3600 | IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM | \$44,000.00  |
| 8015.3700 | IDC - DISPOSAL                  | \$105,000.00 | 8015.3800 | IDC - WELLHEAD PREPARE/REPAIR            | \$30,500.00  |
| 8015.3900 | IDC - FISHING TOOLS & SERVICES  | \$0.00       | 8015.4100 | IDC - RENTAL EQUIPMENT                   | \$45,000.00  |
| 8015.4200 | IDC - MANCAMP                   | \$47,000.00  | 8015.4300 | IDC - WELLSITE SUPERVISION               | \$99,000.00  |
| 8015.4400 | IDC - SUPERVISION/ENGINEERING   | \$0.00       | 8015.4600 | IDC - SAFETY / ENVIRONMENTAL             | \$12,400.00  |
| 8015.4800 | IDC - OVERHEAD                  | \$0.00       | 8015.5000 | IDC - WELL CONTROL INSURANCE             | \$11,790.00  |
| 8015.5200 | IDC - CONTINGENCY               | \$130,961.40 | 8015.1310 | IDC - PERMANENT EASEMENT                 | \$12,000.00  |
| 8015.1950 | IDC - LOST IN HOLE              | \$0.00       | 8015.2150 | IDC - DRILL BIT                          | \$84,000.00  |
| 8015.2350 | IDC - FUEL/MUD                  | \$100,000.00 |           |  |              |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8020.1000 | TDC - CASING - CONDUCTOR        | \$0.00       | 8020.1100 | TDC - CASING - SURFACE                   | \$68,796.88  |
| 8020.1200 | TDC - CASING - INTERMEDIATE - 1 | \$151,937.50 | 8020.1300 | TDC - CASING - INTERMEDIATE 2            | \$0.00       |
| 8020.1400 | TDC - CASING - PRODUCTION       | \$436,050.00 | 8020.1500 | TDC - WELLHEAD EQUIPMENT                 | \$65,875.00  |
| 8020.1700 | TDC - PACKER/DOWNHOLE TOOLS     | \$60,000.00  | 8020.1800 | TDC - CONTINGENCY                        | \$0.00       |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8025.1000 | ICC - STAKING & SURVEYING       | \$0.00       | 8025.1100 | ICC - ROAD, LOCATIONS, PITS              | \$10,500.00  |

|                |                                      |                   |                |                                     |                   |
|----------------|--------------------------------------|-------------------|----------------|-------------------------------------|-------------------|
| 8025.1200      | ICC - COMPLETION RIG                 | \$ .00            | 8025.1400      | ICC - WIRELINE OPEN/CASED HOLE      | \$20,000.00       |
| 8025.1500      | ICC - FUEL / POWER                   | \$278,407.00      | 8025.1600      | ICC - COILED TUBING                 | \$101,000.00      |
| 8025.1700      | ICC - CEMENTING & SERVICES           | \$ .00            | 8025.1800      | ICC - WATER DISPOSAL/VACUUM TRUCK   | \$17,955.00       |
| 8025.1900      | ICC - INSPECTION & TESTING           | \$ .00            | 8025.2000      | ICC - TRUCKING                      | \$13,125.00       |
| 8025.2200      | ICC - ELECTRIC LOGGING / PERFORATING | \$272,533.00      | 8025.2300      | ICC - COMPLETION FLUIDS             | \$10,000.00       |
| 8025.2400      | ICC - CASING CREW AND TOOLS          | \$ .00            | 8025.2500      | ICC - WELL STIMULATION/FRACTUR      | \$1,830,482.00    |
| 8025.2600      | ICC - CONTRACT LABOR/ROUSTABOUT      | \$15,000.00       | 8025.3000      | ICC - WATER HANDLING                | \$150,298.00      |
| 8025.3100      | ICC - WELLHEAD/FRACTURE REPAIR       | \$40,000.00       | 8025.3200      | ICC - FISHING TOOLS & SERVICES      | \$ .00            |
| 8025.3300      | ICC - COMMUNICATIONS                 | \$ .00            | 8025.3400      | ICC - RENTAL EQUIPMENT              | \$272,000.00      |
| 8025.3500      | ICC - WELLSITE SUPERVISION           | \$59,400.00       | 8025.3600      | ICC - SUPERVISION/ENGINEERING       | \$5,000.00        |
| 8025.3700      | ICC - SAFETY / ENVIRONMENTAL         | \$15,000.00       | 8025.3800      | ICC - OVERHEAD                      | \$10,000.00       |
| 8025.4000      | ICC - WELL CONTROL INSURANCE         | \$ .00            | 8025.4200      | ICC - CONTINGENCY                   | \$ .00            |
| 8025.3050      | ICC - SOURCE WATER                   | \$321,637.00      | 8025.4400      | ICC - COMPANY LABOR                 | \$ .00            |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                  | <b>Total (\$)</b> |
| 8030.1000      | TCC - CASING - PRODUCTION            | \$ .00            | 8030.1600      | TCC - PROD LINER & EQUIPMENT        | \$ .00            |
| 8030.1700      | TCC - PACKER/DOWNHOLE TOOLS          | \$ .00            | 8030.2000      | TCC - WELLHEAD EQUIPMENT            | \$47,250.00       |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                  | <b>Total (\$)</b> |
| 8035.1400      | FAC - ROAD LOCATIONS PITS            | \$20,000.00       | 8035.1600      | FAC - TRANSPORTATION TRUCKING       | \$10,000.00       |
| 8035.2200      | FAC - CONTRACT LABOR / ROUSTAB       | \$61,667.00       | 8035.2400      | FAC - SUPERVISION                   | \$16,000.00       |
| 8035.2700      | FAC - P-LINE F-LINE LINEPIPE         | \$ .00            | 8035.2900      | FAC - TANK BATTERY                  | \$113,833.00      |
| 8035.3000      | FAC - HEATER TREATER/SEPARATOR       | \$52,000.00       | 8035.3200      | FAC - VALVES FITTINGS & PIPE        | \$187,500.00      |
| 8035.3300      | FAC - CIRCULATING TRANSFER PUMP      | \$9,667.00        | 8035.3400      | FAC - METER & LACT                  | \$82,500.00       |
| 8035.3600      | FAC - ELECTRICAL                     | \$13,333.00       | 8035.3700      | FAC - COMM TELEMETRY & AUTOMAT      | \$45,000.00       |
| 8035.3800      | FAC - FLARE/COMBUSTER                | \$21,667.00       | 8035.4500      | FAC - CONTINGENCY                   | \$42,468.00       |
| 8035.1300      | FAC - SURFACE DAMAGE / ROW           | \$ .00            | 8035.1500      | FAC - MATERIALS & SUPPLIES          | \$5,000.00        |
| 8035.1700      | FAC - RENTAL EQUIPMENT               | \$15,000.00       | 8035.1800      | FAC - FUEL / POWER                  | \$ .00            |
| 8035.1900      | FAC - WATER DISPOSAL / SWD           | \$ .00            | 8035.2000      | FAC - WASTE DISPOSAL                | \$ .00            |
| 8035.2100      | FAC - INSPECTION & TESTING           | \$ .00            | 8035.2300      | FAC - FRAC TANK RENTAL              | \$ .00            |
| 8035.2500      | FAC - CONSULTING SERVICES            | \$ .00            | 8035.2600      | FAC - INJECTION PUMP                | \$ .00            |
| 8035.3100      | FAC - DEHYDRATOR EQUIPMENT           | \$ .00            | 8035.3500      | FAC - COMPRESSOR                    | \$6,667.00        |
| 8035.4000      | FAC - SAFETY / ENVIRONMENTAL         | \$5,000.00        | 8035.4100      | FAC - OVERHEAD                      | \$ .00            |
| 8035.4300      | FAC - INSURANCE                      | \$ .00            | 8035.1310      | FAC - PERMANENT EASEMENT            | \$ .00            |
| 8035.4400      | FAC - COMPANY LABOR                  | \$ .00            |                |                                     |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                  | <b>Total (\$)</b> |
| 8036.1000      | PLN - PERMITS LICENSES ETC           | \$ .00            | 8036.1100      | PLN - STAKING & SURVEYING           | \$ .00            |
| 8036.1200      | PLN - LEGAL TITLE SERVICES           | \$ .00            | 8036.1300      | PLN - SURFACE DAMAGE / ROW          | \$ .00            |
| 8036.1310      | PLN - PERMANENT EASEMENT             | \$6,465.00        | 8036.1400      | PLN - ROAD LOCATIONS PITS           | \$ .00            |
| 8036.1500      | PLN - MATERIALS & SUPPLIES           | \$ .00            | 8036.1600      | PLN - TRANSPORTATION TRUCKING       | \$ .00            |
| 8036.1700      | PLN - RENTAL EQUIPMENT               | \$ .00            | 8036.1900      | PLN - WATER DISPOSAL / SWD          | \$ .00            |
| 8036.2000      | PLN - WASTE DISPOSAL                 | \$ .00            | 8036.2100      | PLN - INSPECTION & TESTING          | \$ .00            |
| 8036.2200      | PLN - CONTRACT LABOR                 | \$ .00            | 8036.2300      | PLN - FRAC TANK RENTAL              | \$ .00            |
| 8036.2400      | PLN - SUPERVISION                    | \$ .00            | 8036.2500      | PLN - CONSULTING SERVICES           | \$ .00            |
| 8036.2700      | PLN - PIPELINE                       | \$165,440.00      | 8036.2800      | PLN - FLOWLINE                      | \$ .00            |
| 8036.2900      | PLN - TANK BATTERY                   | \$ .00            | 8036.3000      | PLN - SEPARATOR / SCRUBBER          | \$ .00            |
| 8036.3100      | PLN - TREATING EQUIPMENT             | \$ .00            | 8036.3200      | PLN - VALVES FITTINGS & PIPE        | \$ .00            |
| 8036.3300      | PLN - PUMP                           | \$ .00            | 8036.3400      | PLN - METER                         | \$ .00            |
| 8036.3500      | PLN - COMPRESSOR                     | \$ .00            | 8036.3600      | PLN - ELECTRICAL SUPPLIES           | \$ .00            |
| 8036.3610      | PLN - POWER DISTRIBUTION MATERIAL    | \$6,313.00        | 8036.3620      | PLN - POWER DISTRIBUTION LABOR      | \$6,313.00        |
| 8036.3700      | PLN - AUTOMATION                     | \$ .00            | 8036.4000      | PLN - SAFETY / ENVIRONMENTAL        | \$ .00            |
| 8036.4300      | PLN - INSURANCE                      | \$ .00            | 8036.4400      | PLN - COMPANY LABOR                 | \$ .00            |
| 8036.4500      | PLN - CONTINGENCY                    | \$ .00            |                |                                     |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                  | <b>Total (\$)</b> |
| 8040.1100      | IFC - ROADS LOCATIONS / PITS         | \$ .00            | 8040.1200      | IFC - COMPLETION RIG                | \$9,200.00        |
| 8040.1400      | IFC - WIRELINE OPEN/CASED HOLE       | \$5,500.00        | 8040.1500      | IFC - FUEL / POWER                  | \$ .00            |
| 8040.1600      | IFC - COILED TUBING                  | \$ .00            | 8040.1700      | IFC - CEMENTING & SERVICES          | \$ .00            |
| 8040.1899      | IFC - FRAC WATER RECOVERY            | \$227,470.28      | 8040.1900      | IFC - INSPECTION & TESTING          | \$ .00            |
| 8040.2000      | IFC - TRUCKING/VACUUM/TRANSP         | \$20,000.00       | 8040.2200      | IFC - ELECTRIC LOGGING/PERFORATING  | \$ .00            |
| 8040.2300      | IFC - COMPLETION FLUID               | \$ .00            | 8040.2400      | IFC - CASING CREW AND TOOLS         | \$ .00            |
| 8040.2600      | IFC - CONTRACT LABOR/ROUSTABOUT      | \$ .00            | 8040.2800      | IFC - MATERIAL & SUPPLIES           | \$150,000.00      |
| 8040.2900      | IFC - WELL TESTING / FLOWBACK        | \$ .00            | 8040.3100      | IFC - WELLHEAD/FRACTURE TREE REPAIR | \$ .00            |

| 8040.3200 | IFC - FISHING TOOLS & SERVICES              | \$70,000.00 | 8040.3400 | IFC - RENTAL EQUIPMENT          | \$3,600.00  |
|-----------|---|-------------|-----------|---------------------------------|-------------|
| 8040.3500 | IFC - WELLSITE SUPERVISION                  | \$5,000.00  | 8040.3700 | IFC - SAFETY / ENVIRONMENTAL    | \$ .00      |
| 8040.4200 | IFC - CONTINGENCY                           | \$ .00      | 8040.4400 | IFC - COMPANY LABOR             | \$ .00      |
| 8040.4500 | IFC - SWABBING                              | \$ .00      | 8040.2500 | IFC - WELL STIMULATION/FRACTURE | \$5,000.00  |
| Account   | Description                                 | Total (\$)  | Account   | Description                     | Total (\$)  |
| 8045.1100 | TFC - TUBING                                | \$65,000.00 | 8045.1200 | TFC - SUCKER RODS & ACCESSORY   | \$ .00      |
| 8045.1300 | TFC - DOWNHOLE ARTIFICIAL LIFT EQPT         | \$25,000.00 | 8045.1500 | TFC - SUBSURFACE PUMPS          | \$ .00      |
| 8045.1600 | TFC - PROD LINER & EQUIPMENT                | \$ .00      | 8045.1700 | TFC - PACKER/DOWNHOLE TOOLS     | \$8,500.00  |
| 8045.1900 | TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT | \$ .00      | 8045.2000 | TFC - WELLHEAD EQUIPMENT        | \$18,100.00 |
| 8045.2500 | TFC - VALVES / CONNECTIONS / FITINGS        | \$40,000.00 | 8045.3100 | TFC - MEASUREMENT EQUIPMENT     | \$15,000.00 |
| 8045.3200 | TFC - COMM, TELEMETRY & AUTOMATION          | \$ .00      | 8045.3400 | TFC - CONTRACTOR LABOR INSTALL  | \$40,000.00 |
| 8045.3500 | TFC - CONTINGENCY                           | \$ .00      | 8045.4400 | TFC - COMPANY LABOR             | \$ .00      |



September 8, 2021

RE: Gordita 6 State Com #603H  
SHL: 275' FSL Sec. 6 & 1380' FWL Sec. 6 T22S R35E  
BHL: 100' FSL Sec. 18 & 2456' FWL Sec. 18 T22S R35E  
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Gordita 6 State Com #603H as a horizontal well to test the Bone Spring Formation at a TVD of 10,900 feet. The W/2 of the Section 7, Township 22 South, Range 35 East and the W/2 of Section 18, Township 22 South, Range 35 East, Lea County, New Mexico will be dedicated to the well as the proration unit being a total of 619.28 acres. Please see the enclosed AFE in the amount of \$8,165,101.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of September 1, 2021. The JOA contains a proposed overhead rate of \$8,000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at [gavin.smith@cdevinc.com](mailto:gavin.smith@cdevinc.com). Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in blue ink that reads 'Gavin Smith'.

Gavin Smith, CPL  
Senior Landman



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #603H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED GORDITA 6 STATE COM #603H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## Authorization for Expenditure

|                       |             |          |
|-----------------------|-------------|----------|
| AFE Number            | 401842      | Original |
| Drilling Total (\$)   | \$3,076,311 |          |
| Completion Total (\$) | \$3,489,587 |          |
| Facilities Total (\$) | \$891,833   |          |
| Flowback Total (\$)   | \$707,370   |          |
| AFE Total (\$)        | \$8,165,101 |          |

### AFE Description

|                     |                                     |                    |                     |
|---------------------|-------------------------------------|--------------------|---------------------|
| Property Name       | Well: Gordita 6 State Com 603H      | State              | New Mexico          |
| AFE Type            | Drill and Complete                  |                    |                     |
| Operator            | Centennial Resource Production, LLC | Field              | Delaware Basin - NM |
| Scheduled Spud Date | Jan 13, 2022                        | Estimated TVD (ft) |                     |
| Target Zone         | TBSG SAND                           | Estimated MD (ft)  |                     |

### Non Operator Approval

|             |  |
|-------------|--|
| Company     |  |
| Approved By |  |
| Title       |  |
| Date        |  |

### Cost Estimate

| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
|-----------|---------------------------------|--------------|-----------|--|--------------|
| 8015.1000 | IDC - PERMITS,LICENSES,ETC      | \$15,000.00  | 8015.1100 | IDC - STAKING & SURVEYING                | \$15,000.00  |
| 8015.1200 | IDC - LEGAL, TITLE SERVICES     | \$13,000.00  | 8015.1300 | IDC - SURFACE DAMAGE / ROW               | \$15,000.00  |
| 8015.1400 | IDC - ROAD, LOCATIONS, PITS     | \$70,000.00  | 8015.1500 | IDC - RIG MOB / TRUCKING                 | \$60,000.00  |
| 8015.1600 | IDC - RIG MOB / STANDBY RATE    | \$30,000.00  | 8015.1700 | IDC - DAYWORK CONTRACT                   | \$336,000.00 |
| 8015.1800 | IDC - FOOTAGE CONTRACT          | \$0.00       | 8015.1900 | IDC - DIRECTNL DRILL & SURVEY            | \$300,000.00 |
| 8015.2000 | IDC - CONDUCTOR HOLE & SERVICE  | \$27,500.00  | 8015.2100 | IDC - WIRELINE SVCS CASED&OPEN           | \$0.00       |
| 8015.2200 | IDC - BITS, TOOLS, STABILIZERS  | \$70,000.00  | 8015.2300 | IDC - FUEL / POWER                       | \$80,500.00  |
| 8015.2400 | IDC - RIG WATER                 | \$17,000.00  | 8015.2500 | IDC - MUD/CHEMICALS/ACIDIZING            | \$165,000.00 |
| 8015.2600 | IDC - MUD LOGGING               | \$0.00       | 8015.2700 | IDC - INSPECTION, TESTING & REPAIR       | \$55,000.00  |
| 8015.2800 | IDC - CORE ANALYSIS             | \$0.00       | 8015.2900 | IDC - OPEN/CASED HOLE LOGGING            | \$0.00       |
| 8015.3000 | IDC - CEMENT SERV/FLOAT EQUIP   | \$195,000.00 | 8015.3100 | IDC - CASING CREW & TOOLS                | \$65,000.00  |
| 8015.3200 | IDC - CONTRACT LABOR/ROUSTABOUT | \$20,000.00  | 8015.3400 | IDC - MATERIALS & SUPPLIES               | \$5,000.00   |
| 8015.3500 | IDC - TRUCKING/VACUUM/ TRANSP   | \$18,000.00  | 8015.3600 | IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM | \$44,000.00  |
| 8015.3700 | IDC - DISPOSAL                  | \$105,000.00 | 8015.3800 | IDC - WELLHEAD PREPARE/REPAIR            | \$30,500.00  |
| 8015.3900 | IDC - FISHING TOOLS & SERVICES  | \$0.00       | 8015.4100 | IDC - RENTAL EQUIPMENT                   | \$45,000.00  |
| 8015.4200 | IDC - MANCAMP                   | \$47,000.00  | 8015.4300 | IDC - WELLSITE SUPERVISION               | \$99,000.00  |
| 8015.4400 | IDC - SUPERVISION/ENGINEERING   | \$0.00       | 8015.4600 | IDC - SAFETY / ENVIRONMENTAL             | \$12,400.00  |
| 8015.4800 | IDC - OVERHEAD                  | \$0.00       | 8015.5000 | IDC - WELL CONTROL INSURANCE             | \$11,790.00  |
| 8015.5200 | IDC - CONTINGENCY               | \$130,961.40 | 8015.1310 | IDC - PERMANENT EASEMENT                 | \$12,000.00  |
| 8015.1950 | IDC - LOST IN HOLE              | \$0.00       | 8015.2150 | IDC - DRILL BIT                          | \$84,000.00  |
| 8015.2350 | IDC - FUEL/MUD                  | \$100,000.00 |           |  |              |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8020.1000 | TDC - CASING - CONDUCTOR        | \$0.00       | 8020.1100 | TDC - CASING - SURFACE                   | \$68,796.88  |
| 8020.1200 | TDC - CASING - INTERMEDIATE - 1 | \$151,937.50 | 8020.1300 | TDC - CASING - INTERMEDIATE 2            | \$0.00       |
| 8020.1400 | TDC - CASING - PRODUCTION       | \$436,050.00 | 8020.1500 | TDC - WELLHEAD EQUIPMENT                 | \$65,875.00  |
| 8020.1700 | TDC - PACKER/DOWNHOLE TOOLS     | \$60,000.00  | 8020.1800 | TDC - CONTINGENCY                        | \$0.00       |
| Account   | Description                     | Total (\$)   | Account   | Description                              | Total (\$)   |
| 8025.1000 | ICC - STAKING & SURVEYING       | \$0.00       | 8025.1100 | ICC - ROAD, LOCATIONS, PITS              | \$10,500.00  |



|                |                                      |                   |                |                                    |                   |
|----------------|--------------------------------------|-------------------|----------------|------------------------------------|-------------------|
| 8025.1200      | ICC - COMPLETION RIG                 | \$ .00            | 8025.1400      | ICC - WIRELINE OPEN/CASED HOLE     | \$20,000.00       |
| 8025.1500      | ICC - FUEL / POWER                   | \$278,407.00      | 8025.1600      | ICC - COILED TUBING                | \$101,000.00      |
| 8025.1700      | ICC - CEMENTING & SERVICES           | \$ .00            | 8025.1800      | ICC - WATER DISPOSAL/VACUUM TRUCK  | \$17,955.00       |
| 8025.1900      | ICC - INSPECTION & TESTING           | \$ .00            | 8025.2000      | ICC - TRUCKING                     | \$13,125.00       |
| 8025.2200      | ICC - ELECTRIC LOGGING / PERFORATING | \$272,533.00      | 8025.2300      | ICC - COMPLETION FLUIDS            | \$10,000.00       |
| 8025.2400      | ICC - CASING CREW AND TOOLS          | \$ .00            | 8025.2500      | ICC - WELL STIMULATION/FRACTUR     | \$1,830,482.00    |
| 8025.2600      | ICC - CONTRACT LABOR/ROUSTABOUT      | \$15,000.00       | 8025.3000      | ICC - WATER HANDLING               | \$150,298.00      |
| 8025.3100      | ICC - WELLHEAD/FRACTURE REPAIR       | \$40,000.00       | 8025.3200      | ICC - FISHING TOOLS & SERVICES     | \$ .00            |
| 8025.3300      | ICC - COMMUNICATIONS                 | \$ .00            | 8025.3400      | ICC - RENTAL EQUIPMENT             | \$272,000.00      |
| 8025.3500      | ICC - WELLSITE SUPERVISION           | \$59,400.00       | 8025.3600      | ICC - SUPERVISION/ENGINEERING      | \$5,000.00        |
| 8025.3700      | ICC - SAFETY / ENVIRONMENTAL         | \$15,000.00       | 8025.3800      | ICC - OVERHEAD                     | \$10,000.00       |
| 8025.4000      | ICC - WELL CONTROL INSURANCE         | \$ .00            | 8025.4200      | ICC - CONTINGENCY                  | \$ .00            |
| 8025.3050      | ICC - SOURCE WATER                   | \$321,637.00      | 8025.4400      | ICC - COMPANY LABOR                | \$ .00            |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8030.1000      | TCC - CASING - PRODUCTION            | \$ .00            | 8030.1600      | TCC - PROD LINER & EQUIPMENT       | \$ .00            |
| 8030.1700      | TCC - PACKER/DOWNHOLE TOOLS          | \$ .00            | 8030.2000      | TCC - WELLHEAD EQUIPMENT           | \$47,250.00       |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8035.1400      | FAC - ROAD LOCATIONS PITS            | \$20,000.00       | 8035.1600      | FAC - TRANSPORTATION TRUCKING      | \$10,000.00       |
| 8035.2200      | FAC - CONTRACT LABOR / ROUSTAB       | \$61,667.00       | 8035.2400      | FAC - SUPERVISION                  | \$16,000.00       |
| 8035.2700      | FAC - P-LINE F-LINE LINEPIPE         | \$ .00            | 8035.2900      | FAC - TANK BATTERY                 | \$113,833.00      |
| 8035.3000      | FAC - HEATER TREATER/SEPARATOR       | \$52,000.00       | 8035.3200      | FAC - VALVES FITTINGS & PIPE       | \$187,500.00      |
| 8035.3300      | FAC - CIRCULATING TRANSFER PUMP      | \$9,667.00        | 8035.3400      | FAC - METER & LACT                 | \$82,500.00       |
| 8035.3600      | FAC - ELECTRICAL                     | \$13,333.00       | 8035.3700      | FAC - COMM TELEMETRY & AUTOMAT     | \$45,000.00       |
| 8035.3800      | FAC - FLARE/COMBUSTER                | \$21,667.00       | 8035.4500      | FAC - CONTINGENCY                  | \$42,468.00       |
| 8035.1300      | FAC - SURFACE DAMAGE / ROW           | \$ .00            | 8035.1500      | FAC - MATERIALS & SUPPLIES         | \$5,000.00        |
| 8035.1700      | FAC - RENTAL EQUIPMENT               | \$15,000.00       | 8035.1800      | FAC - FUEL / POWER                 | \$ .00            |
| 8035.1900      | FAC - WATER DISPOSAL / SWD           | \$ .00            | 8035.2000      | FAC - WASTE DISPOSAL               | \$ .00            |
| 8035.2100      | FAC - INSPECTION & TESTING           | \$ .00            | 8035.2300      | FAC - FRAC TANK RENTAL             | \$ .00            |
| 8035.2500      | FAC - CONSULTING SERVICES            | \$ .00            | 8035.2600      | FAC - INJECTION PUMP               | \$ .00            |
| 8035.3100      | FAC - DEHYDRATOR EQUIPMENT           | \$ .00            | 8035.3500      | FAC - COMPRESSOR                   | \$6,667.00        |
| 8035.4000      | FAC - SAFETY / ENVIRONMENTAL         | \$5,000.00        | 8035.4100      | FAC - OVERHEAD                     | \$ .00            |
| 8035.4300      | FAC - INSURANCE                      | \$ .00            | 8035.1310      | FAC - PERMANENT EASEMENT           | \$ .00            |
| 8035.4400      | FAC - COMPANY LABOR                  | \$ .00            |                |                                    |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8036.1000      | PLN - PERMITS LICENSES ETC           | \$ .00            | 8036.1100      | PLN - STAKING & SURVEYING          | \$ .00            |
| 8036.1200      | PLN - LEGAL TITLE SERVICES           | \$ .00            | 8036.1300      | PLN - SURFACE DAMAGE / ROW         | \$ .00            |
| 8036.1310      | PLN - PERMANENT EASEMENT             | \$6,465.00        | 8036.1400      | PLN - ROAD LOCATIONS PITS          | \$ .00            |
| 8036.1500      | PLN - MATERIALS & SUPPLIES           | \$ .00            | 8036.1600      | PLN - TRANSPORTATION TRUCKING      | \$ .00            |
| 8036.1700      | PLN - RENTAL EQUIPMENT               | \$ .00            | 8036.1900      | PLN - WATER DISPOSAL / SWD         | \$ .00            |
| 8036.2000      | PLN - WASTE DISPOSAL                 | \$ .00            | 8036.2100      | PLN - INSPECTION & TESTING         | \$ .00            |
| 8036.2200      | PLN - CONTRACT LABOR                 | \$ .00            | 8036.2300      | PLN - FRAC TANK RENTAL             | \$ .00            |
| 8036.2400      | PLN - SUPERVISION                    | \$ .00            | 8036.2500      | PLN - CONSULTING SERVICES          | \$ .00            |
| 8036.2700      | PLN - PIPELINE                       | \$165,440.00      | 8036.2800      | PLN - FLOWLINE                     | \$ .00            |
| 8036.2900      | PLN - TANK BATTERY                   | \$ .00            | 8036.3000      | PLN - SEPARATOR / SCRUBBER         | \$ .00            |
| 8036.3100      | PLN - TREATING EQUIPMENT             | \$ .00            | 8036.3200      | PLN - VALVES FITTINGS & PIPE       | \$ .00            |
| 8036.3300      | PLN - PUMP                           | \$ .00            | 8036.3400      | PLN - METER                        | \$ .00            |
| 8036.3500      | PLN - COMPRESSOR                     | \$ .00            | 8036.3600      | PLN - ELECTRICAL SUPPLIES          | \$ .00            |
| 8036.3610      | PLN - POWER DISTRIBUTION MATERIAL    | \$6,313.00        | 8036.3620      | PLN - POWER DISTRIBUTION LABOR     | \$6,313.00        |
| 8036.3700      | PLN - AUTOMATION                     | \$ .00            | 8036.4000      | PLN - SAFETY / ENVIRONMENTAL       | \$ .00            |
| 8036.4300      | PLN - INSURANCE                      | \$ .00            | 8036.4400      | PLN - COMPANY LABOR                | \$ .00            |
| 8036.4500      | PLN - CONTINGENCY                    | \$ .00            |                |                                    |                   |
| <b>Account</b> | <b>Description</b>                   | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>                 | <b>Total (\$)</b> |
| 8040.1100      | IFC - ROADS LOCATIONS / PITS         | \$ .00            | 8040.1200      | IFC - COMPLETION RIG               | \$9,200.00        |
| 8040.1400      | IFC - WIRELINE OPEN/CASED HOLE       | \$5,500.00        | 8040.1500      | IFC - FUEL / POWER                 | \$ .00            |
| 8040.1600      | IFC - COILED TUBING                  | \$ .00            | 8040.1700      | IFC - CEMENTING & SERVICES         | \$ .00            |
| 8040.1899      | IFC - FRAC WATER RECOVERY            | \$227,470.28      | 8040.1900      | IFC - INSPECTION & TESTING         | \$ .00            |
| 8040.2000      | IFC - TRUCKING/VACUUM/TRANSP         | \$20,000.00       | 8040.2200      | IFC - ELECTRIC LOGGING/PERFORATING | \$ .00            |
| 8040.2300      | IFC - COMPLETION FLUID               | \$ .00            | 8040.2400      | IFC - CASING CREW AND TOOLS        | \$ .00            |
| 8040.2600      | IFC - CONTRACT LABOR/ROUSTABOUT      | \$ .00            | 8040.2800      | IFC - MATERIAL & SUPPLIES          | \$150,000.00      |
| 8040.2900      | IFC - WELL TESTING / FLOWBACK        | \$ .00            | 8040.3100      | IFC - WELLHEAD/FRACTURE REPAIR     | \$ .00            |



|                |   |                   |                |                                 |                   |
|----------------|---|-------------------|----------------|---------------------------------|-------------------|
| 8040.3200      | IFC - FISHING TOOLS & SERVICES              | \$70,000.00       | 8040.3400      | IFC - RENTAL EQUIPMENT          | \$3,600.00        |
| 8040.3500      | IFC - WELLSITE SUPERVISION                  | \$5,000.00        | 8040.3700      | IFC - SAFETY / ENVIRONMENTAL    | \$ .00            |
| 8040.4200      | IFC - CONTINGENCY                           | \$ .00            | 8040.4400      | IFC - COMPANY LABOR             | \$ .00            |
| 8040.4500      | IFC - SWABBING                              | \$ .00            | 8040.2500      | IFC - WELL STIMULATION/FRACTURE | \$5,000.00        |
| <b>Account</b> | <b>Description</b>                          | <b>Total (\$)</b> | <b>Account</b> | <b>Description</b>              | <b>Total (\$)</b> |
| 8045.1100      | TFC - TUBING                                | \$65,000.00       | 8045.1200      | TFC - SUCKER RODS & ACCESSORY   | \$ .00            |
| 8045.1300      | TFC - DOWNHOLE ARTIFICIAL LIFT EQPT         | \$25,000.00       | 8045.1500      | TFC - SUBSURFACE PUMPS          | \$ .00            |
| 8045.1600      | TFC - PROD LINER & EQUIPMENT                | \$ .00            | 8045.1700      | TFC - PACKER/DOWNHOLE TOOLS     | \$8,500.00        |
| 8045.1900      | TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT | \$ .00            | 8045.2000      | TFC - WELLHEAD EQUIPMENT        | \$18,100.00       |
| 8045.2500      | TFC - VALVES / CONNECTIONS / FITINGS        | \$40,000.00       | 8045.3100      | TFC - MEASUREMENT EQUIPMENT     | \$15,000.00       |
| 8045.3200      | TFC - COMM, TELEMETRY & AUTOMATION          | \$ .00            | 8045.3400      | TFC - CONTRACTOR LABOR INSTALL  | \$40,000.00       |
| 8045.3500      | TFC - CONTINGENCY                           | \$ .00            | 8045.4400      | TFC - COMPANY LABOR             | \$ .00            |

## Exhibit C-5

| Date               | Action   |
|--------------------|--|
| September 8, 2021  | Sent initial well proposals for Gordita 18 State Com #601H-#603H   |
| September 10, 2021 | Attempted to contact remaining principle owners of Doil Oil & Gas Corp.                                  |
| September 29, 2021 | Contacted by Tony James at Atlas OBO Energy, LP and answered various questions about planned development |
| October 5, 2021    | Filed for compulsory pooling hearing   |
| October 7, 2021    | Sent Atlas OBO Energy, LP an Operating Agreement to review   |

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. C5

Submitted by: Centennial Resource Production, LLC

Hearing Date: November 04, 2021

Case No. 22252

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 22252**

**AFFIDAVIT OF ISABEL HARPER  
IN SUPPORT OF CASE NO. 22252**

Isabel harper, of lawful age and being first duly sworn, declares as follows:

1. My name is Isabel Harper. I work for Centennial Resource Production, LLC (“Centennial”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case, and I have conducted a geologic study of the lands in the subject area.
4. Centennial is targeting the Third Bone Spring interval, within the Bone Spring formation, with the proposed **Gordita 6 State Com #601H well, Gordita 6 State Com #602H well, and Gordita 6 State Com #603H well.**
5. **Centennial Exhibit D-1** are two project locator maps, reflecting the proposed spacing unit in Sections 7 and 18 in relation to the surrounding area. This map shows the proposed Third Bone Spring wells, depicted by dashed lines and the offsetting Third Bone Spring Sand producing wells.
6. **Centennial Exhibit D-2** is a subsea structure map that I prepared for the Base of the Bone Spring formation and that is representative of the targeted intervals. The structure map

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D

Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252

shows that the formation is gently dipping to the Southwest in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells in this area.

7. **Centennial Exhibit D-3** overlays a cross-section line in blue consisting of three wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

8. **Centennial Exhibit D-4** is a cross section using the representative wells depicted on Exhibit D-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed targeted interval in the Bone Spring formations is labeled on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.


9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells, and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores.

11. In my opinion, the granting of Centennial application in this case will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.


12. **Centennial Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
Isabel Harper

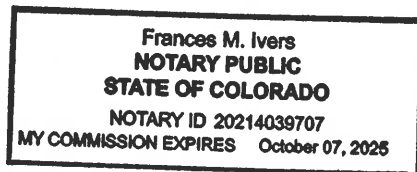
STATE OF COLORADO       )  
  )  
COUNTY OF Denver       )

SUBSCRIBED and SWORN to before me this 2nd day of November  
2021 by Isabel Harper.

  
NOTARY PUBLIC

My Commission Expires:

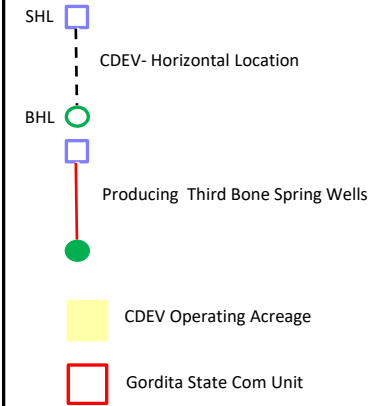
October 7, 2025



# Bone Spring Pool

Gordita State Com 601H, 602H, 603H

## Map Legend



BEFORE THE OIL CONSERVATION DIVISION

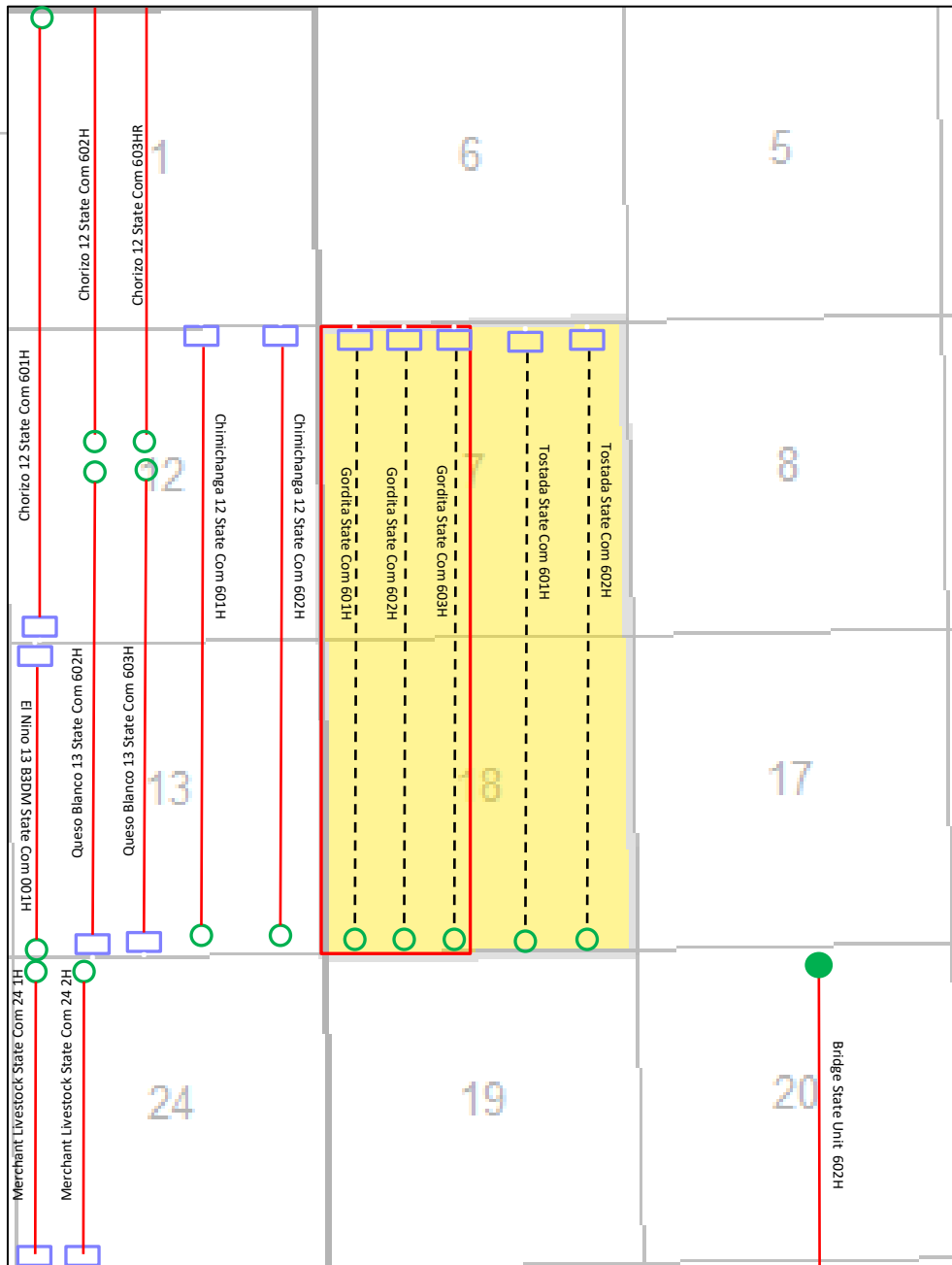
Santa Fe, New Mexico

Exhibit No. D1

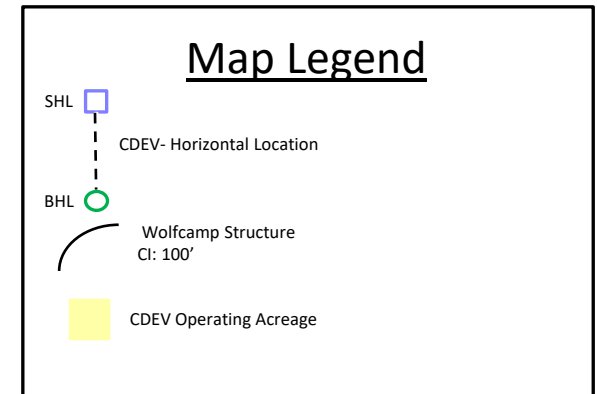
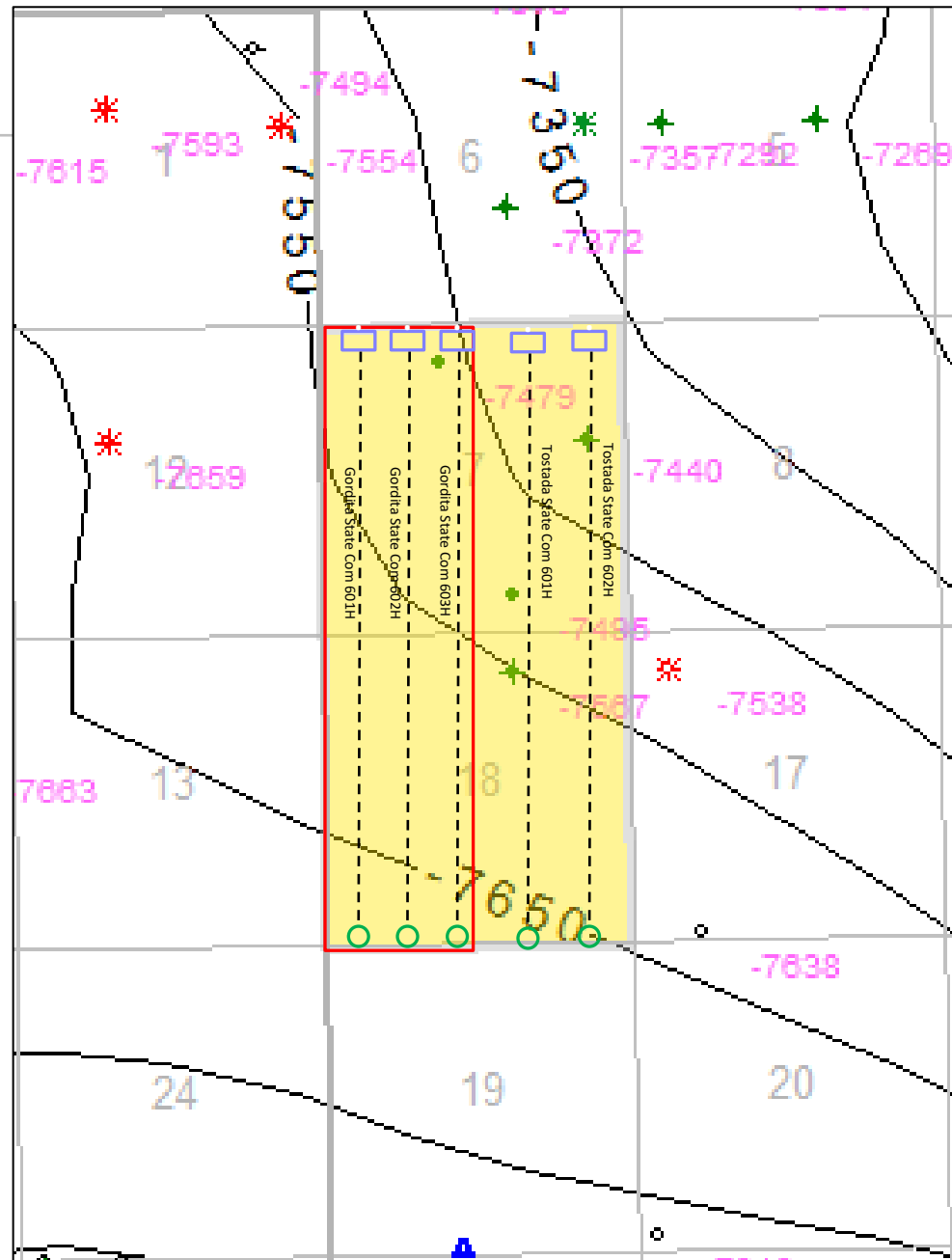
Submitted by: Centennial Resource Production, LLC

Hearing Date: November 04, 2021

Case No. 22252



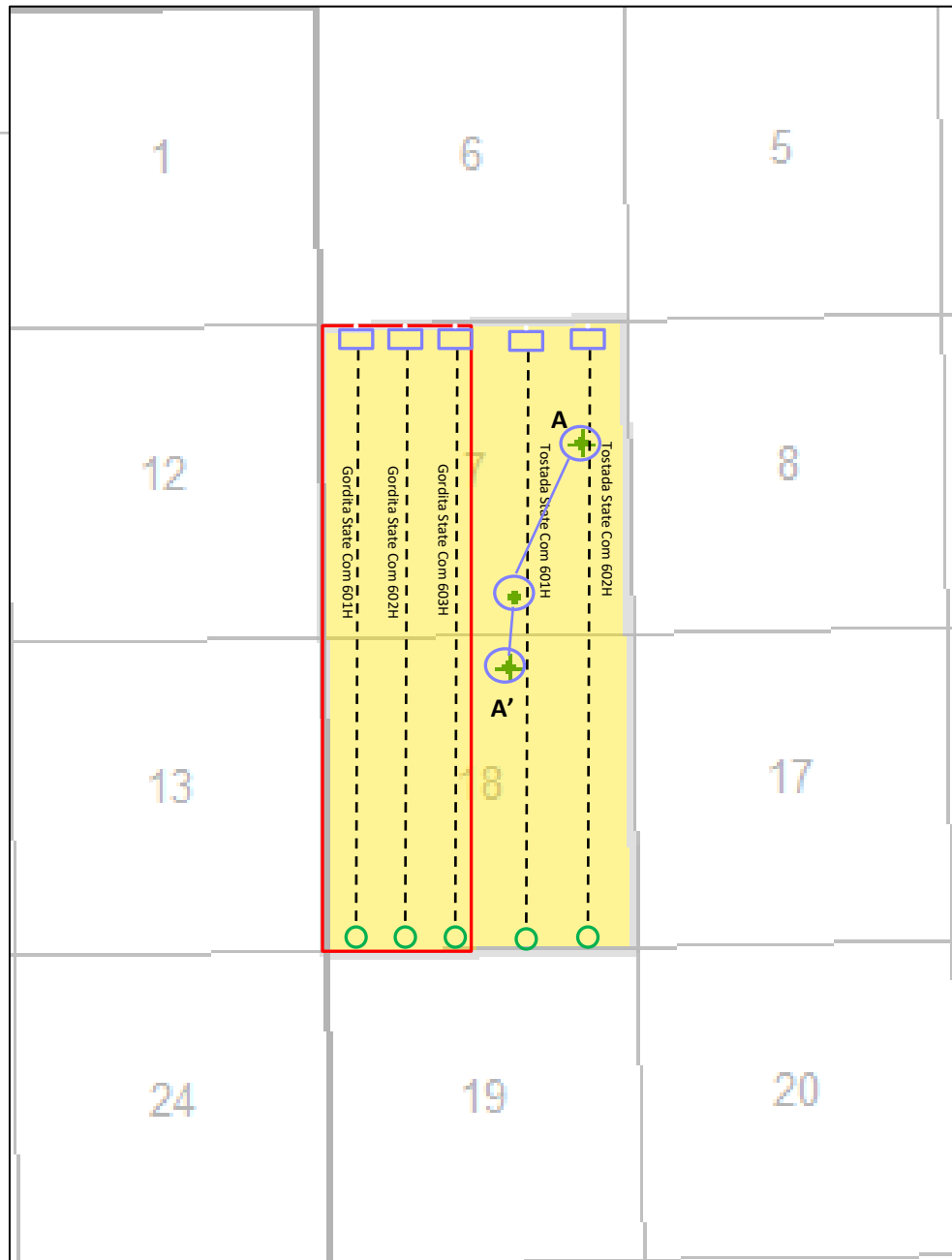
# Bone Spring Pool WFMP Structure Grid



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D2  
Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252

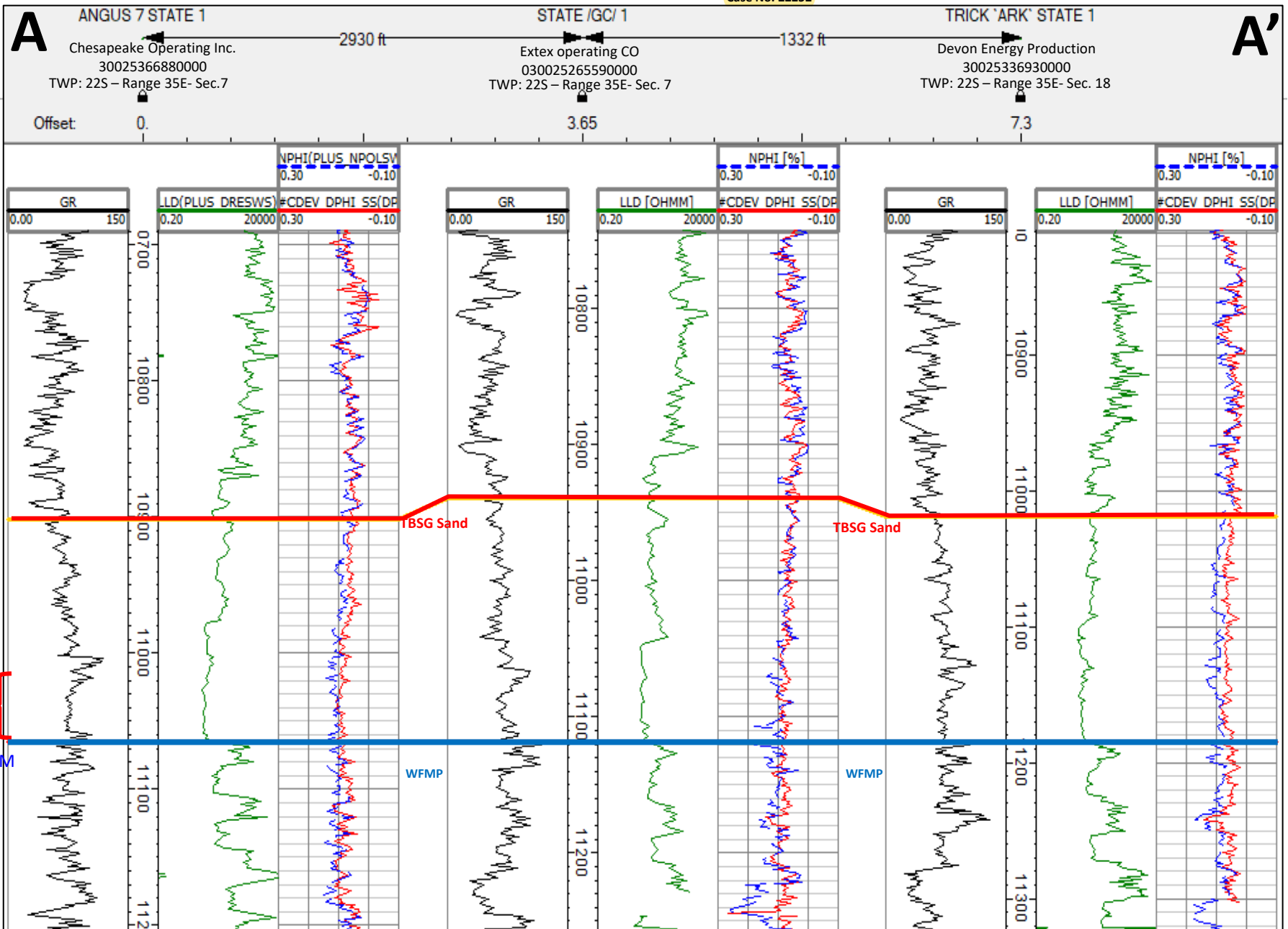
# Cross Section TBSG Pool

## Gordita State Com 601H-603H



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D3  
 Submitted by: Centennial Resource Production, LLC  
 Hearing Date: November 04, 2021  
 Case No. 22252





TD= 11,897.00

TD= 13,510.00

TD= 12,030.00

**CENTENNIAL**

4





**Kaitlyn A. Luck**  
Associate  
Phone (505) 988-4421  
kaluck@hollandhart.com

October 15, 2021

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.**  
**Gordita 6 State Com #601H-603H well**

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 4, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Gavin Smith, at (720) 499-1474, or [Gavin.Smith@cdevinc.com](mailto:Gavin.Smith@cdevinc.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

**Kaitlyn A. Luck**  
**ATTORNEY FOR CENTENNIAL RESOURCE**  
**PRODUCTION, LLC**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska  
Colorado  
Idaho

Montana  
Nevada  
New Mexico

Utah  
Washington, D.C.  
Wyoming

Centennial\_Gordita 601H-603H -  
Case No. 22252 postal delivery report

| TrackingNo             | ToName  | DeliveryAddress              | City             | State | Zip        | USPS_Status  |
|------------------------|---|------------------------------|------------------|-------|------------|--|
| 9414811898765850504696 | Doil Oil & Gas Corporation  | 1536 Cole Blvd Ste 225       | Lakewood         | CO    | 80401-3413 | We attempted to deliver your package at 11:38 am on October 18, 2021 in GOLDEN, CO 80401 but could not access the delivery location. We will redeliver on the next business day. |
| 9414811898765850504108 | Grewal Royaly, LLC  | 45 Rockefeller Plz Ste 2410  | New York         | NY    | 10111-2493 | Your item was delivered to the front desk, reception area, or mail room at 1:47 pm on October 25, 2021 in NEW YORK, NY 10111.  |
| 9414811898765850504191 | Pegasus Resources, LLC  | PO Box 470698                | Fort Worth       | TX    | 76147-0698 | Your item was delivered at 9:29 am on October 18, 2021 in FORT WORTH, TX 76147.  |
| 9414811898765850504146 | McMullen Minerals, LLC  | PO Box 470857                | Fort Worth       | TX    | 76147-0857 | Your item was delivered at 9:27 am on October 18, 2021 in FORT WORTH, TX 76147.  |
| 9414811898765850504184 | McMullen Minerals, LLC  | 2821 W 7th St Ste 515        | Fort Worth       | TX    | 76107-8912 | Your item was delivered to an individual at the address at 1:09 pm on October 18, 2021 in FORT WORTH, TX 76107.  |
| 9414811898765850504139 | Leo K. Birkby   | 10432 E Palo Brea Dr         | Scottsdale       | AZ    | 85262-3332 | Your item was delivered to an individual at the address at 1:01 pm on October 19, 2021 in SCOTTSDALE, AZ 85262.  |
| 9414811898765850504313 | Deets D. Justice  | 310 Pleasant Dr              | Austin           | TX    | 78746-5519 | Your item was delivered to an individual at the address at 4:26 pm on October 19, 2021 in AUSTIN, TX 78746.  |
| 9414811898765850504351 | YMC Royalty Company, LP   | 15603 Kuykendahl Rd Ste 200  | Houston          | TX    | 77090-3655 | Your item was delivered to an individual at the address at 11:20 am on October 19, 2021 in HOUSTON, TX 77090.  |
| 9414811898765850504306 | Atlas OBO Energy  | 15603 Kuykendahl Rd Ste 200  | Houston          | TX    | 77090-3655 | Your item was delivered to an individual at the address at 11:20 am on October 19, 2021 in HOUSTON, TX 77090.  |
| 9414811898765850504399 | David J. Darling1   | 746 Palmer Ave               | Glenwood Springs | CO    | 81601-3541 | Your item was delivered to an individual at the address at 4:11 pm on October 18, 2021 in GLENWOOD SPRINGS, CO 81601.  |
| 9414811898765850504344 | Amy Darling Wood  | 16602 Palm Royal Dr Apt 1519 | Tampa            | FL    | 33647-2686 | Your item was delivered to an individual at the address at 9:14 am on October 22, 2021 in LUTZ, FL 33559.  |
| 9414811898765850504641 | Doil Oil & Gas Corporation  | 12045 Tavel Cir              | Dallas           | TX    | 75230-2233 | Your item was delivered to the front desk, reception area, or mail room at 6:09 pm on October 18, 2021 in DALLAS, TX 75230.  |
| 9414811898765850504382 | Amy Darling Wood  | 5255 Shoreline Cir           | Sanford          | FL    | 32771-7167 | Your item was returned to the sender on October 27, 2021 at 4:00 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address.                            |
| 9414811898765850504337 | Laurance Howard Merritt   | 221 S Lomita Ave             | Ojai             | CA    | 93023-2216 | Your item has been delivered to an agent for final delivery in OJAI, CA 93023 on October 18, 2021 at 12:25 pm.   |
| 9414811898765850504375 | Elodie Brown  | 15 Cypress Pt                | Wimberley        | TX    | 78676-9414 | Your item was delivered to an individual at the address at 2:47 pm on October 21, 2021 in DALLAS, TX 75208.  |
| 9414811898765850504016 | Elodie Brown  | 3231 W Shandon Ave           | Midland          | TX    | 79705-6248 | Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on October 27, 2021 at 6:36 pm. The item is currently in transit to the destination.                               |
| 9414811898765850504054 | Pecas Management, LP  | 3138 Quail Valley East Dr    | Missouri City    | TX    | 77489-6088 | Your item was delivered to an individual at the address at 2:55 pm on October 21, 2021 in MISSOURI CITY, TX 77489.   |
| 9414811898765850504023 | Karen Johnston  | 2017 Quail Hollow Run        | Carlsbad         | NM    | 88220-4181 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.  |
| 9414811898765850504009 | Karen Johnston  | 2504 N Crown Cir             | Carlsbad         | NM    | 88220-8808 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.  |
| 9414811898765850504047 | System For The Use And Benefit Of The Board of Regents for the Univeristy of Texas University Of Texas M.D. Anderson Caner Center | PO Box 551                   | Midland          | TX    | 79702-0551 | Your item was picked up at a postal facility at 11:39 am on October 21, 2021 in MIDLAND, TX 79701.   |
| 9414811898765850504085 | Presbyterian Healthcare Foundation  | 8440 Walnut Hill Ln Ste 800  | Dallas           | TX    | 75231-3825 | Your item was delivered to an individual at the address at 5:52 pm on October 18, 2021 in DALLAS, TX 75231.  |

Centennial\_Gordita 601H-603H -  
Case No. 22252 postal delivery report

|                        |  |                             |         |    |            |   |
|------------------------|--|-----------------------------|---------|----|------------|---|
| 9414811898765850504030 | Presbyterian Village North Foundation      | 8560 Anderson Creek Cir     | Dallas  | TX | 75243-1375 | Your item was delivered to the front desk, reception area, or mail room at 4:02 pm on October 18, 2021 in DALLAS, TX 75243.                                     |
| 9414811898765850504689 | Pioneer Exploration, LLC                   | 15603 Kuykendahl Rd Ste 200 | Houston | TX | 77090-3655 | Your item was delivered to the front desk, reception area, or mail room at 3:42 pm on October 21, 2021 in HOUSTON, TX 77056.                                    |
| 9414811898765850504634 | Pioneer Exploration, LLC / Atlas Operating | 3501 Allen Pkwy             | Houston | TX | 77019-1809 | Your item was returned to the sender on October 27, 2021 at 4:00 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address.           |
| 9414811898765850504672 | Saba Energy, Inc.                          | 2112 Hurd Dr                | Irving  | TX | 75038-4332 | Your item departed our COPPELL TX DISTRIBUTION CENTER destination facility on October 28, 2021 at 8:52 am. The item is currently in transit to the destination. |
| 9414811898765850504115 | Saba Energy, Inc.                          | 4500 W Illinois Ave Ste 213 | Midland | TX | 79703-5485 | Your item was returned to the sender on October 27, 2021 at 4:00 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address.           |
| 9414811898765850504153 | Saba Energy, Inc.                          | 1603 E 19th St Ste 202      | Edmond  | OK | 73013-6625 | Your item was returned to the sender on October 27, 2021 at 4:00 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address.           |
| 9414811898765850504160 | Legacy Reserves Operating, LP              | 303 W Wall St Ste 1800      | Midland | TX | 79701-5106 | Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on October 25, 2021 at 11:15 am.   |
| 9414811898765850504122 | Legacy Reserves Operating, LP              | 15 Smith Rd Ste 3000        | Midland | TX | 79705-5461 | Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on October 21, 2021 at 12:06 pm.   |



**Affidavit of Publication**STATE OF NEW MEXICO  
COUNTY OF LEA

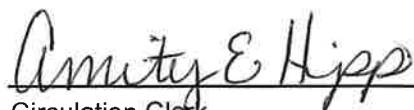
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
October 22, 2021  
and ending with the issue dated  
October 22, 2021.



Publisher

Sworn and subscribed to before me this  
22nd day of October 2021.



Circulation Clerk

My commission expires  
October 29, 2022

(Seal)



OFFICIAL SEAL  
Amity E. Hipp  
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires: 10/29/22

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
October 22, 2021**STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO**

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, November 4, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than **October 24, 2021**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e12bd776b32e14edf7deee3425ea99347>  
Event number: 2497 665 1056  
Event password: JYvF8wjp55w

Join by video: 24976651056@nmemnrd.webex.com  
Numeric Password: 256526  
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free  
Access code: 2497 665 1056

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Doil Oil & Gas Corporation; Pioneer Exploration, LLC; Pioneer Exploration, LLC / Atlas Operating; Saba Energy, Inc.; Legacy Reserves Operating, LP; Grewal (Royalty), LLC; Pegasus Resources, LLC; McMullen Minerals, LLC; Leo K. Birkby, his heirs and devisees; Deets D. Justice, his or her heirs and devisees; YMC Royalty Company, LP; Atlas OBO Energy; David J. Darling, his heirs and devisees; Amy Darling Wood, her heirs and devisees; Laurance Howard Merritt, his heirs and devisees; Elodie Brown, her heirs and devisees; Pecos Management, LP; Karen Johnston, her heirs and devisees; The Board of Regents of the University of Texas System for the use and benefit of The University of Texas M.D. Anderson Cancer Center; Presbyterian Healthcare Foundation; and Presbyterian Village North Foundation.

**Case No. 22252: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed wells: (1) the **Gordita 6 State Com #601H well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 18; and (2) the **Gordita 6 State Com #602H well**, and (3) the **Gordita 6 State Com #603H well**, both are to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 6, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 18. The completed interval of the proposed **Gordita 6 State Com #602H well** will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 7 and 18, to allow inclusion of this acreage into a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles west of Eunice, New Mexico.  
**#36953**

67100754

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HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. F

Submitted by: Centennial Resource Production, LLC  
Hearing Date: November 04, 2021  
Case No. 22252